

SUSTAINABLE DEVELOPMENT STRATEGY FOR JAMAICA – 2005-2009

USAID/J-CAR

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Additional information on the attached can be obtained from Charisse Adamson of the Bureau for Latin America and the Caribbean.

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Executive Summary

Jamaica, located just 550 miles south of Miami and attracting more than one million visitors each year from the United States, is obviously part of the critical “Third Border” of the United States. Despite relatively strong democratic traditions, Jamaica has seen the quality of its governance deteriorate – among other indicators, it has one of the highest homicide rates in the world, perceptions of corruption are growing, and community level governance is weak.

Most of Jamaica’s social indicators compare favorably to other developing countries, but this masks severe problems, especially for its youth. These problems include early sexual initiation, trafficking of minors for sexual exploitation, and high rates of sexual violence and coercion. Despite universal primary education, many children, especially boys, leave school illiterate and unprepared for productive employment.

Jamaica is at a critical juncture in its economic development. In the 40 years since independence, Jamaica has not experienced sustained economic growth. Despite notable reductions in poverty since independence, few attribute that achievement to outcomes of Jamaica’s formal economy. Rather, this result is often attributed to the impact of significant remittances and the informal economy. Without real growth in the economy, it is unlikely that Jamaica’s social and economic achievements can be sustained. In 2004, significant fiscal and other macroeconomic problems threaten to raise the bar even higher for Jamaica’s achievement of sustained economic growth.

At the same time, the world is changing – the global playing field in which countries and their economies compete becomes more competitive by the day. With such constant change in this context, the costs to countries of their failure to enhance their competitiveness are ever increasing. Social, economic, and political instability are the potential reward for countries that fail to put themselves in the position to effectively compete. This threatening situation is where Jamaica finds itself today.

Jamaica must achieve increased sustained economic growth to generate the revenues needed to repay its exceptionally high debt, reduce the chronically high unemployment that is a contributing factor to crime and violence, improve educational outcomes, and achieve other critical social improvements needed to be globally competitive.

Jamaica’s current competitive position relative to countries around the world suggests that it is past the point of incremental, intermittent reforms. Only transformational change that places Jamaica on an entirely different economic path and trajectory will enable it to compete effectively in an increasingly competitive regional and global environment.

Thus, the proposed USAID strategy for Jamaica for the period FY 2005-2009 sets an ambitious goal to achieve ***Transformational Change to Accelerate Sustainable and Equitable Growth in a More Competitive World***. Five strategic objectives that are closely linked to maximize synergies will contribute to the achievement of this goal.

The first SO, ***Increased trade competitiveness in target industries***, will emphasize competitiveness in trade, looking outward at global markets. Activities will improve competitiveness and the business environment, especially to support the target clusters, with added attention to interventions that will support macroeconomic stability, and build social consensus for change.

The second SO, ***Natural assets managed for rural development and sustainable economic***

growth, moves beyond the focus on natural resources management to take on the challenge of rural development and to link natural resource management more closely with our economic growth efforts.

The third SO, *Improved health status among youth and most vulnerable groups*, targets Jamaica's youth to promote healthy lifestyles, particularly in reproductive health and related areas of drugs and violence. A second major component aims to stem the HIV/AIDS epidemic, working more closely with NGOs and increasing the targeting of our program to focus on those most at risk.

The fourth SO, *Improved education of targeted Jamaican youth*, will continue work to improve basic education and provide opportunities for at-risk and out-of-school youth, but with attention to building closer links with the private sector to ensure the education system better meets the needs of an economy that seeks to become more competitive. Significant effort will be devoted to building partnerships with parents, communities, community- and faith-based organizations, and the private sector.

The fifth SO, *Improved accountability and citizen security and participation*, directly tackles the weak community-level governance institutions and the rule of law problems that contribute to crime, violence, and corruption. Key features include pushing governance down to the local level by strengthening civil society organizations and civic education, improving police/community relations and strengthening anti-corruption agencies and media and NGO capability to serve as watchdogs.

The proposed strategy emphasizes the identification and exploitation of cross-cutting linkages in order to foster synergies that will help maximize the impact of USAID's limited resources. Program management units will be reduced to enable USAID/J-CAR's limited human resources to manage an ambitious program and also devote time to building strategic alliances with the private sector, NGOs, and other donors, all in an effort to maximize the impact of our resources on Jamaica's growing development challenges.

The proposed base funding level for the five-year strategy is \$90.0 million. The optimal, and preferred, funding level for the five-year strategy is \$107.5 million. At the higher level, USAID/J-CAR could have a greater impact on rural development; fiscal and macroeconomic adjustments; slowing the spread of HIV/AIDS, especially through work with NGOs; combating corruption, and strengthening civil society.

I. Overview

A. Assistance Environment and Rationale

1. U.S. Foreign Policy Interests

Development, diplomacy and defense are the three interdependent components of the U.S. *National Security Strategy*. The new Strategic Plan prepared jointly by the Department of State and USAID recognizes that a more healthy, educated, democratic, and prosperous world – all objectives of this strategy for Jamaica – will also be more stable and secure.

The 1997 Barbados Summit accords committed the United States and signatory Caribbean nations to promote free trade and economic development, safeguard the natural environment, and enhance justice and security. In April 2001, at the third Summit of the Americas in Quebec, President Bush outlined his vision for making this the Century of the Americas, with special attention to the Caribbean, our often-overlooked “third border.” The small countries of the region are important partners on trade, health and education issues and regional democracy, where drug trafficking, migrant smuggling and financial crime threaten mutual security interests. To better focus the U.S.-Caribbean relationship, the Bush Administration launched the “Third Border Initiative,” a targeted package of programs designed to enhance diplomatic, economic, health, education and law enforcement cooperation and collaboration.

Jamaica, the third largest island in the Caribbean with an area of 11,000 square kilometers and a population of 2.6 million, is located just 550 miles south of Miami. Each year it attracts more than a million travelers from the U.S. It is also one of the poorest countries in the Caribbean, with high rates of violent crime. The large number of U.S. citizens of Jamaican origin, the country's proximity to the United States, and its importance as a U.S. tourist destination mean that joblessness, the HIV/AIDS epidemic, drug trafficking, environmental degradation and recurrent natural disasters can directly affect the United States' national interests.

2. U.S. and Other Donor Programs in Jamaica

The USAID strategy for Jamaica for FY 2000 through FY 2004 has five strategic objectives in the areas of business development, natural resource management, reproductive health and HIV/AIDS, basic education and security and democratic participation. There is also a special objective targeting troubled inner city communities. The Center for Excellence in Teacher Training, a new regional activity under the Third Border Initiative, will contribute significantly to the basic education objective.

Other Donors also contribute significant resources to development in Jamaica. Among the bilateral donors, CIDA and DFID both have substantial programs that complement USAID's in several areas. CIDA's new strategy will provide \$30-34 million over five years, with good governance the lead programming priority. DFID anticipates about \$8 million per year for its Jamaica program, which emphasizes working with other donors and partners to reduce poverty. The European Union plans to provide \$91 million for private-sector capacity building and finance, budget support including security and youth programs, and road maintenance and upgrading.

Several UN agencies are also active in Jamaica. UNICEF has committed \$3 million for its programs, which closely complement USAID's adolescent health and education activities.

In 2002-2003, the Inter-American Development Bank (IDB) approved three loans totaling \$69

million. Another six projects (totaling \$109 million) are planned. IDB projects complement USAID programs in several areas including primary education, citizen security and environmental management. The World Bank approved four loans totaling \$145 million over the last two years for financial sector reform, secondary education, community-based infrastructure improvements and HIV/AIDS prevention, treatment and care.

More details about these and other donor programs are in Annex G.

3. Jamaica's Development Environment

After high growth in the 1950s and 1960s, Jamaica has stagnated economically and decayed socially over the last three decades. Macroeconomic stability has been elusive and the economy has failed to develop new sources of growth to compensate for the decline of traditional industries. High rates of violent crime have increased social deprivation and exclusion and discouraged local and foreign investors. (DFID 2001)

a) Political Context

Since independence from Great Britain in 1962, Jamaica has maintained a Westminster-style parliamentary democracy and remained a member of the Commonwealth, while actively participating in efforts to build a Caribbean regional community and institutions. The new Caribbean Court of Justice is a further step in the process of independence for the region.

Jamaica has relatively strong democratic traditions. On its scale of 1-7 (1 = most free), Freedom House gives Jamaica a score of 2 for political rights and 2 for civil liberties. Two parties, both with origins in the labor movement, dominate Jamaica's politics and for many years alternated in power. However, in October 2002 the People's National Party won an unprecedented fourth term.

Deep partisan divisions dominate the electoral process, which frequently has been marred by violence, intimidation and fraud. Political tribalism is manifest in "garrison" communities, where powerful local "dons" wield power and undermine legitimate authority. Reflecting these facts, the World Bank ranks Jamaica at the 43rd percentile for political stability (Kaufmann et al. 2003).

A variety of factors – a self-interested political ruling class, clientelism and winner-take-all politics, corruption, over-centralization – contribute to lack of respect for governing institutions. Jamaica has one of the highest murder rates in the world. The business community cites crime, along with poor education, as its most serious constraints. Crop theft is a major problem in rural areas. Jamaica's police forces and justice system have not been able to keep up with the challenge and people have lost confidence in the ability of the state to guarantee basic freedoms and keep them safe.

Transparency International's Corruption Perceptions Index 2002 places Jamaica at 45th among 102 countries rated, with a score of 4.0 on a scale of 0 to 10 (0 being highly corrupt). The World Bank rating for control of corruption is consistent, putting Jamaica at the 39th percentile (Kaufmann et al. 2003). A recurring theme is the lack of political will to reform the political system or to address development issues, whether through legislation or enforcement of existing rules (USAID 2001).

Governance Indicators – Jamaica	
Indicator	Percentile
Political Process	
Voice and Accountability	65.2
Political Stability/No Violence	43.2
Capacity of Government	
Government Effectiveness	54.6
Regulatory Quality	64.9
Respect for Governing Institutions	
Rule of Law	45.9
Control of Corruption	39.2
Source: Kaufmann, Kraay and Mastruzzi 2003	

Jamaica lacks well-established community level governance institutions and effective lines of communication between people at the community level and national government. Centralized authority leaves communities without the ability to resolve their own problems and there is a strong sense that people's voices are not heard in decision-making. The Government's 2002 Social Policy Framework makes a step toward enhanced local governance by calling for more transparent and accountable public organizations and officials, a better-informed citizenry, and wider, deeper and continuous citizen participation in governance and public sector decision-making.

Efforts began in 1990 and are ongoing to decentralize decision-making and strengthen parish-level structures. Although hampered by limited resources, shifting emphasis and questionable political will, some progress has been made including increased local funding, legislation to grant greater local autonomy, and establishment of parish development committees.

b) Economic Performance

Jamaica's economy is heavily dependent on its natural resources. Tourism, bauxite and alumina production and agriculture provide the bulk of foreign exchange earnings. Jamaica's agriculture sector is increasingly uncompetitive. Tourism faces growing competition from other Caribbean destinations as well as threats to the quality of the destination from environmental deterioration.

The country's economy has fared poorly over the last three decades compared to most of its Caribbean neighbors. During its first ten years of independence, Jamaica enjoyed solid growth from expansion in mining and tourism. Then, the oil shock and state intervention in the economy led to a decade of decline. Economic reforms begun in the 1980s – deregulation, privatization, trade liberalization – led to some growth at the end of that decade. During the 1990s, Jamaica again faced a series of challenges that led to several more years of negative growth despite relatively high rates of investment – averaging over 30 percent of GDP during the latter half of the 1990s.

Jamaica's 1996 National Industrial Policy (NIP) called for a three-phased approach to achieving long-term growth and sustainable development, but performance has fallen well short of plans with economic declines from 1996 to 2000 and only modest recovery since.

Per capita income levels in the Caribbean			
<i>In 1995 US\$ (GDP-decadal averages)</i>			
Country	1970s	1980s	1990s
Antigua and Barbuda	3493	5219	7802
Belize	1529	1991	2717
Barbados	5627	6720	7289
Dominica	1659	2198	3106
Dominican Republic	1130	1378	1608
Grenada	1613	2129	3046
Guyana	813	667	733
Jamaica	1891	1543	1730
St. Kitts and Nevis	2176	3165	5679
St. Lucia	..	2291	3835
Trinidad and Tobago	3389	4594	4382
St. Vincent Grenadines	1248	1654	2412
Regional Median			
Caribbean	1636	2129	3046
Source: World Bank – CGCED Report			

As the NIP was being prepared, Jamaica's financial sector faced severe crisis. Government intervention averted collapse but left the government with a heavy burden of domestic debt. By the year 2000, total public sector debt stood at 131 percent of GDP. The GOJ undertook an IMF staff-monitored program (SMP) designed to tackle the debt burden and the legacy of earlier periods of high inflation. During 2001-2002, in spite of major negative shocks – decline in tourism following September 11th terrorist attacks, wide-scale flooding, and an outbreak of domestic violence – Jamaica maintained macroeconomic stability with low inflation and positive economic growth.

By the summer of 2002, although the debt burden remained high, Jamaica's international credit standing was improving in recognition of its adherence to tight fiscal policy and prospects for gradually reducing the debt. Then the discipline broke down. By the spring of 2003, revenues had missed the budget target by a wide margin and pressure on the currency left the Jamaican dollar devalued by 17% and its net international reserves down by a third. As of January 2004, Jamaica's debt burden stands at 150% of GDP, its international credit rating has been downgraded, and recent attempts to access the usual international debt market sources have failed.

Jamaica now faces the prospect of serious fiscal crisis and must undertake a mix of difficult and painful steps to restore stability and begin to achieve real sustained growth. Success is likely only if a consensus among the government's social and economic partners supports the necessary changes.

Natural Assets: Environmental degradation and resource depletion are important threats to sustainable economic growth in Jamaica. Natural disasters are also prominent challenges. Hurricanes have caused spectacular damage and floods occur often, causing extensive economic losses and diverting funds from other needs for emergency response and repairs. Jamaica is rich in endemic species although there is inadequate baseline data on biological resources. Fourteen animal endemic species and over 200 plant endemic species are classified as critically imperiled or especially vulnerable to extinction. They face habitat destruction and inadequate public awareness of the need for protection.

Poverty: Despite negative overall growth in the economy in the 1990s, Jamaica was able to reduce the incidence of poverty throughout most of the decade. The reduction of poverty in the absence of growth is attributed largely to remittances, a strong informal economy, and policies that maintained ability to consume. Without real growth, the gains cannot be sustained. Poverty remains very high in many rural areas and is cited as a major factor contributing to environmental degradation, crime and other social deterioration.

Employment: Unemployment in Jamaica has remained fairly constant between 15 and 17 percent. Of particular concern are high rates of unemployment among young people (34 percent in 2001 for ages 15-24) and the pessimism about the future that this feeds. Although young women experience the highest rates of unemployment, the growing tendency of young men to drop out of school and seek survival through crime and illegal drug trade is particularly troublesome.

c) Social Indicators

Jamaica's social indicators still compare favorably with many other developing countries, but this masks severe problems. Despite progress in reducing poverty during the 1990s, key social indicators slipped during the same period. In 1991, Jamaica ranked 59th among 160 countries with a Human Development Index (HDI) of 0.761. Ten years later, Jamaica was 78th among 174 countries with an HDI of 0.738. Major areas of decline include access to knowledge and opportunities for a decent standard of living.

HIV/AIDS: AIDS is a serious threat throughout the Caribbean. Regionally, HIV/AIDS prevalence is second only to sub-Saharan Africa. Jamaica has fared somewhat better than its Caribbean neighbors, with a prevalence rate of 1.2 percent in 2001 compared to the regional average of over 2 percent, but the rate of new infection among adolescents has recently doubled. While there are indications that current program efforts are having an effect in slowing the rate of increase, the epidemic has not peaked.

Youth at Risk: The Caribbean as a region also compares poorly with other developing regions in the area of youth at risk and Jamaica fares worse than most of its neighbors. The problem of “youth at risk” in Jamaica is manifest in high levels of early sexual initiation, HIV/AIDS, sexual and physical abuse, school leaving (drop-out and exit), unemployment, crime and violence, substance abuse and drug dealing, and social exclusion.

According to the reproductive health survey for 1997, by age 11-12 about 20 percent of Jamaican boys and girls had had sexual intercourse. The fertility rate among girls 15-19 years old was 112/1000 in 2000, up from 102/1000 in 1989. Related concerns are internal trafficking of minors for sexual exploitation, particularly connected to the tourism industry, high rates of sexual violence and forced early sexual initiation, use of rape to keep women in their place and sex for economic gain or survival.

Although Jamaica has achieved almost universal attendance in primary school, too many children coming out of primary school cannot read and write. In 1999 nearly 17 percent of 15-16 year-olds were no longer in school (Samms-Vaughan 2001).

Youth unemployment in Jamaica, at 34 percent, is the highest in the Americas. Of special concern are inner city youth, where unemployment is as high as 75 percent. Nearly 30 percent of boys leave school before completing high school. Many lack the skills and attitudes that will enable them to be productive and responsible citizens and too often engage in and become victims of criminal activity and violence.

Health: With the exception of the risks to youth (i.e., STDs and violence), Jamaica’s health indicators compare well with other countries, both in the Caribbean and globally. Life expectancy has increased from 69.0 in 1970-75 to 74.8 in 1995-2000. The infant mortality rate is 20.5 per 1000, with 95 percent of births attended by trained health personnel.

Education: Jamaica has achieved considerable success in near universal enrollment for primary education, but significant quality problems remain. Dropout rates are high, especially for boys. Test score results are disappointing, and there is concern that the education provided is not preparing young people well for their role as informed citizens or for productive employment in the competitive global economy.

Gender: In Jamaica as elsewhere in the Caribbean, high social value is given to gender roles and behaviors that carry heavy social and economic costs. For the men, masculinity is identified with sexual prowess and ability to father children with multiple partners, and the ability to make money. Women face social pressures to bear children, both to fulfill their female identity as mothers and often as a way to secure economic support from the male partner.

Females are well represented in business and exceed males in education (70 percent of university students are female). However, women are also over-represented in low paying jobs and underrepresented at the highest levels of government. Meanwhile many men are uneducated and unemployed and, lacking prospects for employment, become part of the problem of crime and violence. A high unemployment rate means that men often cannot provide for the economic needs of these children; and early pregnancy results in school dropout and limited job opportunities for young mothers. Annex B provides a more extensive discussion of key gender issues and recommendations.

4. Strategic Challenges

a) Economic Competitiveness

Jamaica has a number of economic assets – near universal primary education and a reasonably well-educated workforce, generally good health indicators, proximity to the world's largest market, and abundant natural beauty. It achieved significant poverty reduction during the 1990s, in spite of negligible growth; indeed, during the period, Jamaica lost position in manufacturing and agriculture and in overall competitiveness. The World Economic Forum's Global Competitiveness Report for 2003 puts Jamaica at 67th out of 102 countries ranked for growth competitiveness and 56th out of 95 countries ranked for business competitiveness.

The local business community cites crime and poor education as its most important problems. A recent World Bank report suggests that crime costs Jamaica at least 4 percent of GDP (World Bank 2004) while other studies show similar links between corruption and growth (Collier 2002). The issues of law and order and standards of conduct are discussed below under the heading of governance. Education, a productive workforce and the higher level skills needed to compete are discussed under the human resources challenge.

The looming macroeconomic and fiscal crisis described in the section on economic performance is closely linked to the issue of Jamaica's competitiveness. High domestic interest rates raise the cost of borrowing and divert domestic capital from equity investment, while weak institutions, crime and corruption, workforce limitations, and a small local economy all discourage foreign investment. Government's deficit and debt are major elements in a vicious cycle, complicated by the need to control inflation.

Jamaica cannot maintain the social gains it has made nor achieve its potential without sustained growth. The term sustainable growth implies concern for environmental degradation and resource depletion, which are important threats to the sustainability of growth in Jamaica. Recurring natural disasters, especially frequent floods, also destroy and divert investment resources.

However, other factors are also important in Jamaica's failure to sustain growth over the last thirty years. The transformation to a path of real sustained growth will require dealing with the debt burden, reducing government expenditures and increasing revenue, tackling crime, improving education, maintaining appropriate exchange rate flexibility, controlling inflation and improving the overall environment for export competitiveness. Achieving competitiveness and growth will also require a strong response from the private sector and, because some of the necessary changes will be painful, consensus among the government's social and economic partners.

b) Governance

Many people consider governance problems to be the most serious challenge to development in Jamaica. Volatility in the political process, weak institutions, crime and corruption are all of concern. In some communities the violence level and the consequent psychological trauma resemble conditions of civil war.

The business community cites crime as one of its most important obstacles, while perceptions of corruption distort and deter economic investments. Empirical analyses suggest that modest improvements in rule of law and control of corruption could dramatically improve Jamaica's economic performance. Weaknesses in Jamaica's political process, community structures and ability to deal with crime and corruption were described in the political context section above

and are further elaborated in the Conflict Vulnerability Assessment (Annex D).

Along with steps to improve the macroeconomic situation, reduction of crime and corruption will be important to achieving trade competitiveness and sustained growth. The potential for some of the needed macroeconomic adjustments to impose hardships and spark social unrest underscores the importance of governance to economic growth and competitiveness. More transparency and public understanding of the challenges and responses will be important to obtaining the agreement and support needed to shore up the political will for change.

c) Human Resources

Jamaica has been spending a respectable portion of GDP on education (6.3 percent in 1998-2000), although adult literacy in 2000 was only 87.3 percent. That result, complaints about poor education from the business community, poor test scores and high dropout rates all suggest that the key is not necessarily more spending but better targeting, quality and effectiveness, and the importance of the family and community setting.

The “youth at risk” problems – early sexual initiation, HIV/AIDS, sexual and physical abuse, school leaving, unemployment, crime and violence, substance abuse and drug dealing, and social exclusion – are closely linked to performance of the educational system and to the ultimate quality of the human resources available for Jamaica’s development.

“Brain drain” is another significant challenge confronting the educational system specifically (many of the best teachers are recruited by US and British school systems) but also applies to other sectors requiring higher level skills. There may be global benefits to international mobility of human resources and there is empirical support for the theory that migration opportunities may actually benefit some developing countries. However, in the analysis of brain drain winners and losers, Jamaica stands out in the latter category, losing 33 percent of its people with secondary education and more than 77 percent of those with a tertiary education (Beine et al. 2002). One consequence is the need for a higher investment in human capacity development than might otherwise be expected for a country at Jamaica’s level of development.

B. Assistance Strategy Summary

1. Overall Goals and Timeframe

Jamaica’s relative size and proximity to the US probably dictate an unequal relationship for the foreseeable future. Still, it is reasonable to look for substantial development progress, which will change the relationship over the next ten to fifteen years.

Jamaica has not seen significant sustained economic growth since independence. The country now faces challenges that will require more than incremental and intermittent reforms, but which, at the same time, present opportunities for significant transformation on several fronts in the short and medium term, i.e., during this strategy period. This strategy incorporates approaches that seek to mitigate the risks that numerous challenges pose to achievement of the proposed strategic objectives. However, more ambitiously, the strategy seeks to grasp the opportunities that are also presented by this unique period – namely, the fiscal problem, the challenge of increasingly competitive markets, a maturing political system, and future generational changes in public- and private-sector leadership – to help Jamaica make transformational social, political, and economic change.

A descriptive goal statement for this sustainable development strategy for Jamaica is: *Transformational change to accelerate sustainable and equitable growth in a more*

competitive world.

Strategy idea papers submitted by the Mission and consultations with USAID/ Washington staff in December 2002 informed planning parameters for the strategy. The parameters were provided in SECSTATE 102655, dated April 22, 2003, included as Annex A.

2. Summary of Strategic Objectives

USAID's strategy for the Jamaica for FY 2000 through FY 2004 was developed in 1999 and updated in February 2000. It has five strategic objectives:

- SO-1. Improving the business environment for developing small, medium and micro-enterprise*
- SO-2. Improved quality of key natural resources in selected areas that are both environmentally and economically significant*
- SO-3. Improved reproductive health of youth*
- SO-4. Increased literacy and numeracy among targeted Jamaican youth*
- SO-5. Improved citizen security and participation in democratic processes*

There is also one Special Objective: *Improved economic and social conditions in targeted inner city communities.*

A program to combat the spread of HIV/AIDS, added to the youth reproductive health objective, complements the regional HIV/AIDS program that started as a "Third Border" Initiative. The Center for Excellence in Teacher Training, a new regional activity under the "Third Border" Initiative, will contribute to the literacy objective. C-TRADECOM, a recent addition to the Caribbean Regional Program, complements the Jamaica competitiveness program.

This new strategy for the period FY 2004 to FY 2009 builds on the successes of the current strategy. Synergies among the five new strategic objectives have been substantially strengthened and the objectives are more tightly oriented in support of our principal interest – to foster increased sustainable economic growth in Jamaica.

- SO- . Increased trade competitiveness in target industries*
- SO- . Natural assets managed for rural development and sustainable economic growth*
- SO- . Improved health status among youth and most vulnerable groups*
- SO- . Improved education of targeted Jamaican youth*
- SO- . Improved accountability and citizen security and participation*

The overarching emphasis of the Jamaica strategy on economic growth directly supports the joint U.S. Department of State/USAID strategic goal of *economic prosperity and security*. Elements of the strategy also address the joint strategic goals in the areas of *democracy and human rights* and *social and environmental issues*. The strategy also supports the U.N. Millennium Development Goals to *develop a global partnership for development* and to *combat HIV/AIDS*.

3. Customers and Partners

The strategic planning process began in the summer of 2002 with extensive formal consultations with a broad array of stakeholders (representing public and private entities and other donors). This included individual interviews, facilitated group discussions and written questionnaires. Consultations continued as needed for validation or clarification during development of the initial ideas documents and first draft, which was reviewed in formal

meetings with stakeholders during July 2003. A final round of discussions was part of the annual review meetings held in October 2003.

Key partners for program implementation will include relevant agencies of the government of Jamaica, business organizations and NGOs, as well as US firms and non-profit organizations able to provide appropriate technical services. Strategic alliances with US, Jamaican and international private organizations will be pursued in order to leverage our resources and emphasize our role as a catalyst for development. The Mission will use the annual program statement (APS) mechanism to tap into the creativity of the private sector and NGOs to stimulate new ideas and approaches for achieving program objectives.

With the prospect that Jamaican government agencies may be distracted by budget and fiscal constraints during the strategy period, USAID will increase its reliance on nongovernmental and private sector organizations, empowering communities, and mobilizing new resources outside government.

4. Jamaica's Development Strategy

"Jamaica's number one priority must be the enhancement of our global competitiveness. It is critical for our national survival." --Dr. Wesley Hughes, Planning Institute of Jamaica, VIII International Partners Retreat, Nov 14, 2002

The Government of Jamaica (GOJ) has done extensive development planning. The Medium Term Policy Framework 2002/03-2005/06 described an economic policy approach under which the Government acts mainly as an enabler for private sector led growth; however, slow progress is being made on this front. The GOJ plans to begin working on a new medium-term strategic economic framework in response to the recent deterioration of the country's fiscal and macroeconomic situation, but the result is perhaps a year away.

With regard to social policy, the GOJ's stated medium-term priorities include:

- Ensuring adequate developmental provisions for children from early childhood;
- Providing equitable education and training designed to equip young persons for employment commensurate with demands of a dynamic, globalized labor market;
- Enabling adolescents to choose socially and personally desirable alternatives in relation to fertility, drug abuse and crime; and
- Promoting and empowering citizens to lead healthy lifestyles.

The Government of Jamaica seeks to address its institutional weaknesses through modernization and performance improvement programs underway with support from several donors.

5. Cross Cutting Themes, Linkages and Synergies

An essential feature of this strategy is its emphasis on cross-cutting themes and linkages to create synergies among the strategic objectives as well as between the bilateral program and the Caribbean Regional Program (CRP). Three of the most important cross-cutting themes are discussed below, and specific linkages and synergies are discussed in the narrative for each strategic objective.

a) Human Capacity, Gender and Youth

Human resources capacity is both a concern and a cross-cutting theme of this strategy. The proposed interventions under the strategy will build human capacity at many levels – capacity of the private sector, capacity of communities to manage natural assets, promote healthy lifestyles or support education, capacity of poor children to read and write and stay out of

trouble. The program will help Jamaicans develop the skills the country needs to compete in the world, and, in the end, to attract and retain the human capacity to continue the process.

The strategy recognizes the need for higher-level technical skills, whether to support competitiveness within an industry cluster, protect bio-diversity or combat HIV/AIDS. These needs will be addressed in the context of specific program activities when essential to achieve results, rather than through general support for higher education or for adult skills training programs.

The strategy reflects a particular focus on youth, continuing prior efforts to improve basic education and adding attention to other life skills. Both the health and education SOs target children of primary school age and teens, especially those most disadvantaged and at-risk. Young Jamaicans will be critical to the country's economic competitiveness, either becoming part of a healthy and well-educated workforce or contributing to the downward spiral.

Gender is also a significant factor in health behavior and in education. Sexual exploitation of girls is a serious health and human rights concern which will be addressed especially through promoting healthy lifestyles and through education for at-risk youth. The significant underperformance of boys in the educational system and their dropping out of the productive economic sector are also of serious concern. These issues will be addressed through health and family life education and through programs both in the schools and for adolescents who are at-risk and out of school.

b) Governance

The concern about governance in Jamaica is generally directed at political parties and government institutions, the way they use public resources and their inability to deliver public services and security. However, governance goes beyond government and involves the interaction between the formal institutions of government and those of civil society. A common thread throughout the proposed strategy is highlighting and fostering better balance in the respective roles of government, the private sector, communities, and non-governmental organizations. Increased civic responsibility and active participation lie at the heart of this strategy's aim to bring more resources to the effort to transform Jamaica's development.

The Conflict Vulnerability Assessment (Annex D) describes the significant problems and weaknesses in Jamaica's political process, community structures and ability to deal with crime. The security and participation SO directly addresses political process, conflict and crime problems. Achievements under all SOs will contribute directly or indirectly to reducing crime as a significant obstacle to economic growth and competitiveness.

Equity is another related governance concern. Disparities in opportunities and expectations contribute to crime and social unrest. Despite improvements in poverty levels, there remain significant pockets of poverty and people for whom the system does not offer access or hope for success. Rural poverty is a problem of growing seriousness and there has been insufficient IDP and government attention to rural development. All SOs will seek to target "underserved" communities in both urban and rural areas and serve as a catalyst to demonstrate successful approaches to economic development.

c) Political Will and Public Consensus

The cross-cutting theme of political will and support for consensus is closely related to governance. As noted in *Jamaica 2015*, a major problem in Jamaica is not lack of capacity for analysis, but inability to translate intentions into effective action. This inability is due at least

in part to a political system that encourages actions that are popular and reluctance among political actors to take steps that may be unpopular, no matter how necessary or wise.

Fortunately or unfortunately, people in Jamaica seem more receptive to change in a crisis. While this strategy seeks change without waiting for a precipitating crisis, the crises already facing Jamaica with regard to crime and violence and its fiscal situation appear to have prompted willingness in many quarters for change.

The need for change is urgent – and not just incremental change, but transformational change - is urgent. Jamaica's private-sector leaders have already sought USAID help in building consensus and demand for change through public awareness and education on key economic issues. USAID's support for this initiative is consistent with our interest in stimulating increased civic involvement and fostering transformational change. Support for dissemination of information and facilitation of public discussion will remain an important cross cutting effort at least through the early years of the new strategy.

C. Summary Resource Requirements

Program Costs

The five-year base USAID program funding to achieve all proposed strategic objectives is \$90.0 million. Given Jamaica's significant development needs and USAID's relatively limited resources, USAID's assistance will play the role of a catalyst. To the maximum extent possible, USAID's resources will be leveraged with resources from the private and NGO sectors to achieve the strategic objectives.

A more optimal level of \$107.5 million for the five-year program would allow (in order of priority): 1) more substantial investment in rural development linked to our assistance for competitiveness in tourism and agribusiness; 2) expanded support for analysis and implementation of fiscal and macroeconomic reforms needed to facilitate achievement of our strategic objectives, especially relating to our trade and competitiveness objectives; 3) more impact-oriented assistance to combat HIV/AIDS, especially targeted to NGOs; 4) expanded assistance to control corruption through increased public-sector accountability; and 5) assistance for more and more varied civil society organizations in order to accelerate the strengthening of community-level responsibility and governance. Annex I demonstrates how funds would be allocated under both the base and optimal scenarios.

D. Program Management

USAID/J-CAR has program management responsibility for both the Jamaica bilateral program and the Caribbean Regional Program. The Barbados satellite office handles day-to-day management of regional program activities and is discussed in the regional program strategy. The Jamaica office provides management oversight and support for the regional program in addition to managing the bilateral program described in this strategy. The additional demands on Jamaica-based staff to backstop the CRP, including through frequent travel, are a critical motivation for creating a management-efficient approach for both bilateral and regional programs.

The challenges facing Jamaica require a multi-pronged, or "bandwagon" approach (World Bank 2004) to maintain stability while promoting the transformational changes that will lead to sustained growth. This approach involves not only USAID assistance on several fronts, but also collaborative effort among many entities, including other donors, and mobilizing additional resources through partnerships and alliances. This approach, to coordinate both

within the USAID program and with external partners, while necessary, is labor intensive, especially for mission management.

To enhance the Mission's capability to achieve the programs within management resource limits, the strategic objectives have been designed to maximize cross-SO synergies. In addition, we will use the Annual Program Statement (APS) mechanism to tap external creativity and planning capacity, and bundle activities under umbrella implementation mechanisms. The reduction in management intensity for program design and implementation will also enable Mission staff to give more attention to strategic thinking, policy engagement and cultivating partnerships.

Mission staff is expected to remain largely intact in size and structure, organized around five SO teams. The Mission will also create "theme teams," composed of representatives from appropriate SO teams, as the vehicle to facilitate coordinated planning and implementation of activities that reflect critical cross-cutting themes, such as youth and rural development.

USAID/J-CAR expects to have New Entry Professionals (NEP) filling four of the mission's seven USDH positions at the beginning of the strategy period, and only a few of the Foreign Service National (FSN) staff have more than five years experience with USAID. Consequently, the Mission Director and Deputy Director will have to devote a significant amount of their time to mentoring and supervision, in addition to strategy and program management and external relations. The mission must have ample resources for formal training for professional development and staff must be able to make time for formal training (yet another reason to lower the management intensity of the program).

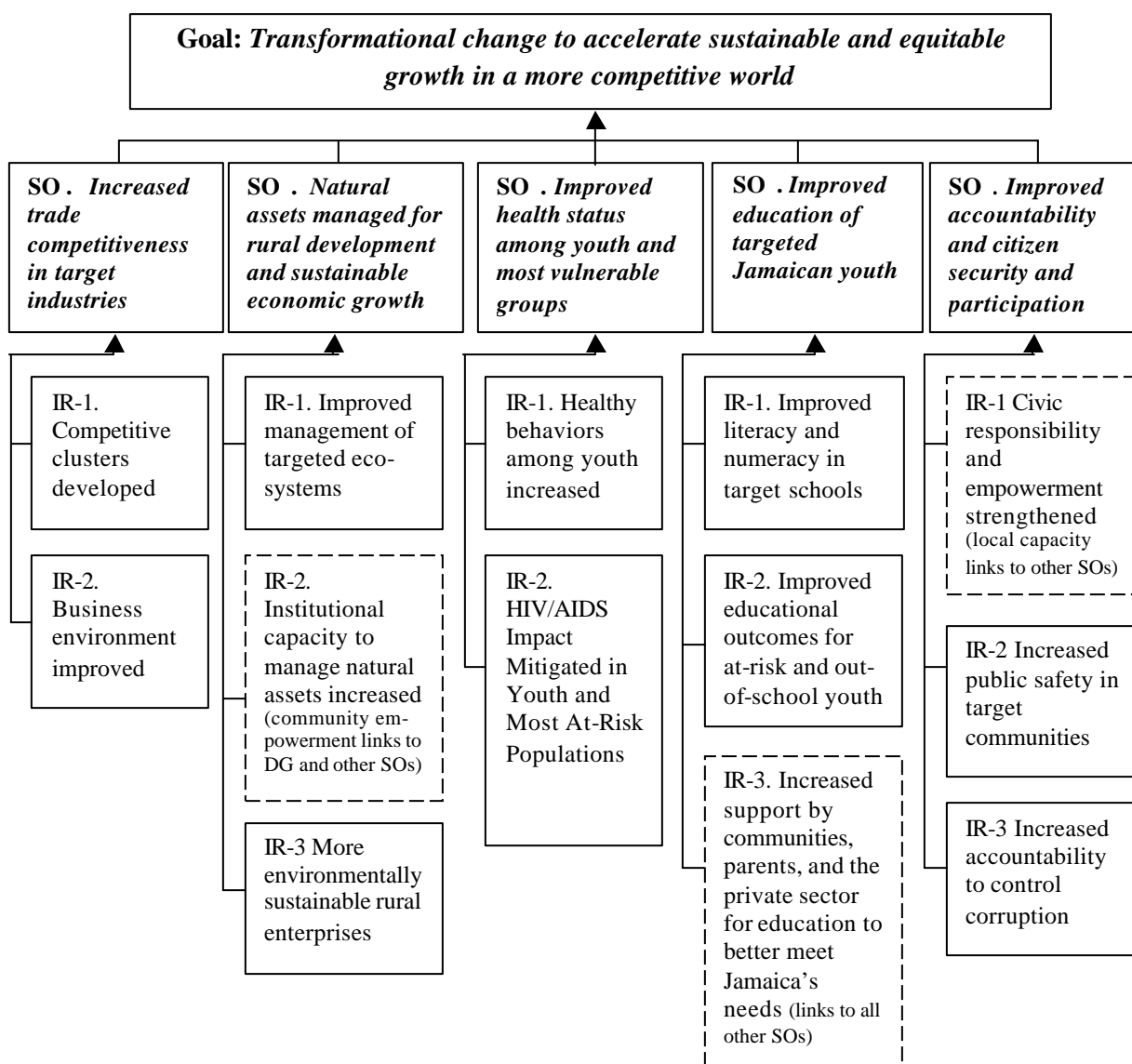
Some adjustments in staff skills may be needed, for example to enable the mission to develop partnerships and increase the use of instruments. A larger concern for program management is the uncertainty in the Jamaican environment, which suggests a need for flexibility and nimbleness. A Mission IQC is contemplated as one way to access short-term skills quickly. Situations requiring TDY assistance from LAC and the pillar bureaus are also likely, with consequent OE budget implications.

In sum, USAID/J-CAR proposes to accomplish its strategic goal through enhanced program synergies, increased reliance on leverage through alliances and partnerships, lowered program management intensity, and use of implementation mechanisms that facilitate programmatic nimbleness.

II. Strategic Objectives and Results Frameworks

The proposed strategy for Jamaica includes five strategic objectives, each with two or three intermediate results, and featuring strong linkages and synergies among the objectives, and between the Jamaica bilateral and Caribbean regional programs.

Results Framework - Jamaica Program



Dashed border indicates especially significant linkages with other SOs or the regional program.

Critical assumptions

- The country will maintain political and macroeconomic stability
- Political will can be built to support transformational change and is not derailed by social upheaval
- Natural disasters or other external factors do not substantially divert resources
- FTAA moves forward

A. *Improved Competitiveness for Sustained Growth*

1. Background and Rationale for the SO

This new strategic objective builds on the experience and achievements under SO 1 in the FY 2000-2004 strategy – *Improving the business environment for developing small, medium and micro enterprises*. This objective reflects the current and expected future crisis state of the economy and the profound challenges to Jamaica embodied in trade agreements under negotiation – CSME, FTAA, WTO, EPA. To thrive, Jamaica will have to build its ability to compete effectively in liberalized global markets in an era of rapid technological change.

Over the last decade, the Jamaican economy has performed poorly and economic growth has remained elusive. There have been some positives, including, until recently, maintenance of single digit inflation, a relatively stable exchange rate and reduced levels of poverty. However, some of these positives cannot be attributed to improvements in quality of Jamaica's economy. In fact, it is widely believed that the economy has benefited tremendously from very high levels of remittances from overseas, which account for a significant percentage of GDP. Moreover, the economy continues to be adversely affected by a number of negative factors including crime and violence, private and public sector corruption, a deteriorating trade balance, high debt service, high interest rates, government borrowing crowding out the private sector and an oversized government workforce.

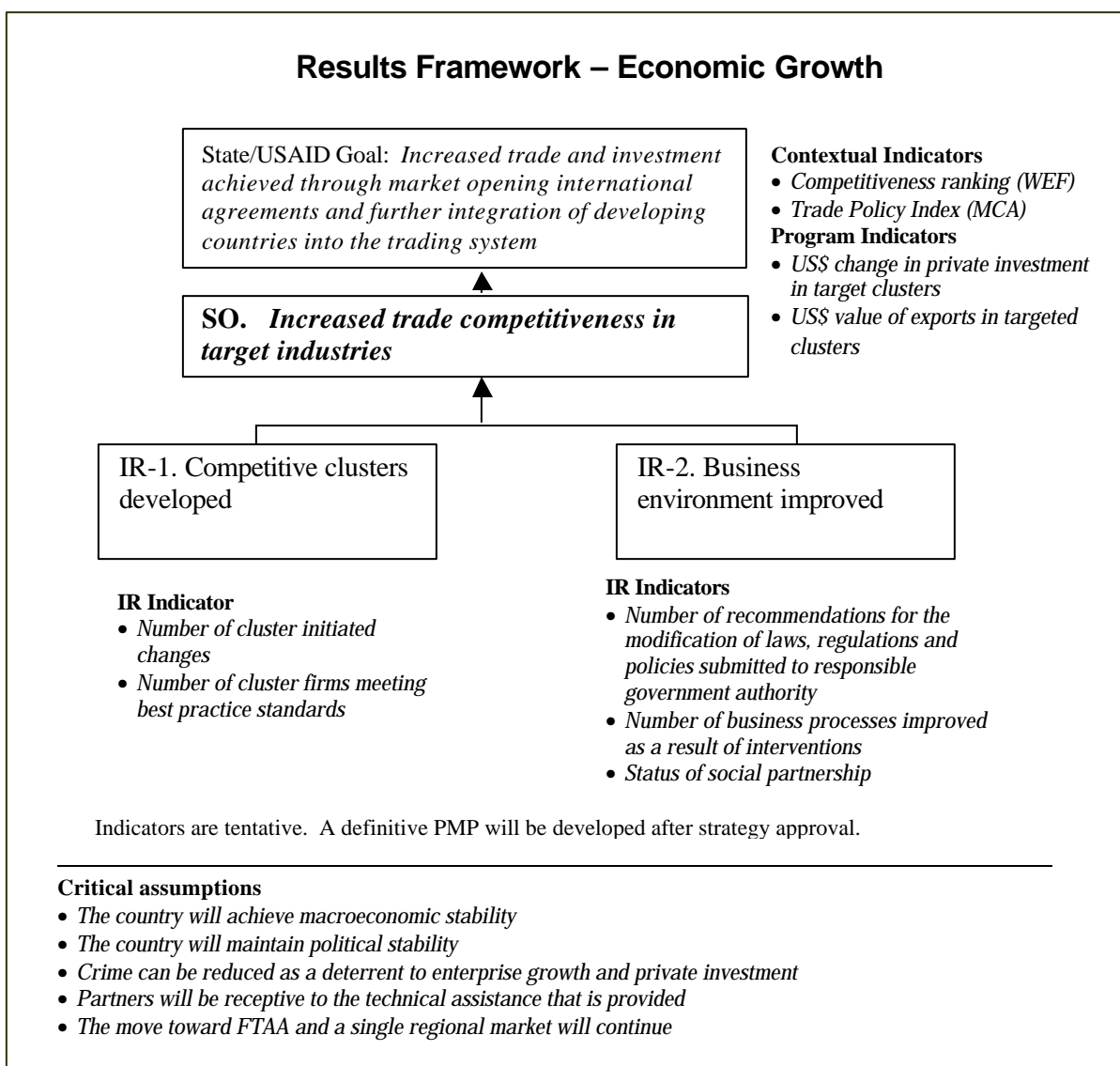
In terms of external competitiveness, Jamaica's performance has also been poor. The World Economic Forum Business Competitiveness Index puts Jamaica 56th out of 95 countries ranked for 2003. Jamaica ranked 39th out of 75 countries on the same index for 2001. A recent survey identified high costs/low productivity as one obstacle to competitiveness. Contributing factors to this diminishing competitiveness are the high cost of finance, a poorly educated workforce, management weaknesses and outmoded processes and technologies. Other problem areas are inadequate government support and excessive red tape, crime and violence and social instability.

The new strategic objective, *Increased trade competitiveness in target industries*, reflects an emphasis on competitiveness as the ultimate objective, looking upward and outward at entering global markets rather than inward at strengthening individual local enterprises. Some activities may continue to target smaller firms, but this will occur in the context of developing clusters of related firms of various sizes in order to enhance competitiveness of the economy. Focus on the business environment will continue, but as an intermediate result.

The recent deterioration in Jamaica's fiscal and macroeconomic situation gives new impetus to assistance relating to consensus building and social partnership as well as potentially significant interventions in economic policy development and implementation. Underlying challenges of human resource capacity and of governance – especially crime and corruption – will be addressed in part under this SO and in part through activities under other SOs. The cross-SO linkages are discussed further below.

The SO contributes directly to the USAID/Department of State joint Strategic Performance Goal of *Increased trade and investment achieved through market opening international agreements and further integration of developing countries into the trading system*. It supports the U.N. Millennium Development Goal to *Develop a global partnership for development*.

2. Results Framework



This SO will be achieved through two intermediate results (IRs), which reflect an evolution of the program rather than a sharp change in course. The strategy will build on tools developed under the FY 2000- FY 2004 strategy (e.g., payroll package, online training program, reduced constraints to business registration, investor roadmap, etc) and focus them on external trade, competitiveness and competitive clusters. Key strategic changes include assistance to (1) address critical fiscal and macroeconomic reforms needed to support the strategic objective; (2) build demand for transformational economic change, for example through support for an indigenous private-sector led social partnership; and (3) focus on competitive clusters as the principal framework for firm-level assistance and elimination of business constraints.

IR-1. Competitive Clusters Developed: This IR includes activities aimed at enterprise and industry-level competitiveness in targeted clusters that appear to have the potential for international competitiveness. Three clusters – tourism, agriculture/agribusiness, and entertainment – have already been identified. Other clusters with competitive potential may emerge or clusters with a supporting role such as shipping and telecommunications may be added. Activities will address broad areas of competitive weakness and will include direct

training and technical assistance and institutional strengthening of providers of business development services, training institutions and private sector umbrella organizations.

Workforce capacity: Basic educational achievement will be addressed under the education SO. Health as a factor in workforce capacity, including the challenge of HIV/AIDS, is also addressed under a separate SO. The strong synergies among SOs are discussed further below. Activities under this SO will address specific skills needed within the target clusters to become or remain internationally competitive. They will include support for targeted training programs to develop needed technical and managerial skills, and activities to build corporate awareness and partnership in addressing Jamaica's broader economic and social issues.

Business Practices and Attitudes: Activities will include technical assistance to improve product quality and production and distribution processes, for example, automation, international quality control standards, energy efficiency and "clean" technologies. Assistance will also aim at changing the business culture toward a more outward orientation and responsiveness, both to other cluster participants and to markets and customers.

Finance: USAID expects the current successful micro-credit scheme to be sustained and expanded by entry of more institutions without substantial additional support. Some continued attention may be given to access to finance in targeted underserved communities. Possible new interventions include a Development Credit Authority (DCA) program and efforts to engage financial institutions as partners to reduce costs of finance for enterprises in the target competitive clusters, especially for investments in new technology and modernization.

Remittances to Jamaica totaled \$1.2 billion in 2003, an important financial resource with potential for added development value. USAID will continue recent initiatives through which partnerships with the financial institutions have resulted in significant commitments of funds for education and improved transfer mechanisms that show potential to generate savings that can be tapped for development and social services. Remittances also provide a link to the Jamaican Diaspora, with further potential to mobilize private resources for development.

IR 2. Business Environment Improved: Under this new strategy the business environment is seen as a means to the objective of trade competitiveness and the goal of sustained economic growth. Activities under this intermediate result will tackle key problem areas inhibiting competitiveness at the country-level.

Macroeconomic stability is a key area that will be a new focus within this USAID strategy. Jamaica faces a serious macroeconomic and fiscal crisis that can easily derail efforts to build competitiveness and achieve economic growth. Annex E, Attachment 1, is an assessment of Jamaica's medium-term economic outlook. USAID is already in discussion with the GOJ about possible technical assistance. While receptivity to assistance and precise needs remain to be clarified, USAID must stand ready to take a lead role both with the GOJ and in coordination among the country's international donors.

Security: Crime and violence and social instability, which seriously affect Jamaica's competitiveness, will be directly addressed by the separate democracy and governance SO. The links between economic opportunity, social instability and crime are circular and activities supporting economic opportunity in especially troubled inner city communities will continue under this IR. To the extent possible, these activities will fit within the focus on competitive clusters, but some flexibility may be needed to address the broader issue of economic development in these communities as a factor in reducing crime and violence, which indirectly contributes to the nation's potential competitiveness. Across the program, there will be

attention to targeting communities in special need of economic development – urban and rural – to alleviate current inequities that contribute to lack of respect for law and governing institutions. Initiatives to mobilize remittances may also help provide resources to meet social needs.

Assistance under both IR-1 and IR-2 will include activities that encourage increased corporate responsibility and ethical standards and build private sector support for improved governance in the areas of respect for law and control of corruption.

Policies, Laws and Regulations: USAID will continue support for improving the policy framework and business processes to reduce constraints to enterprise growth and competitiveness in international markets. One area of special attention is the policy and regulatory constraints on information technology, telecommunications and electronic commerce. Activities will include technical assistance for additional analyses that may be needed, as well as help in drafting and enacting recommended laws and regulations and with attention to more rigorous and equitable policy enforcement.

Social Partnership: A significant factor in Jamaica's high cost/low productivity is poor cooperation between government, the private sector and labor unions, but past efforts to establish a national social partnership have not succeeded. The threatening macroeconomic problems have prompted new receptivity by the prospective partners and interest in the "Irish model" of agreements on national programs for economic and social development by government and the main representatives of labor, employers, academia and civil society. The private sector is taking the lead in a "Partnership for Progress" and has approached USAID for various support to the Partnership, including help in building a public consensus on the need for major economic reforms. Activities to increase public awareness and understanding of the issues will foster and reinforce political will for the difficult actions needed to get Jamaica on the path to sustained growth.

a) Linkages and Synergies

The linkages between this competitiveness objective and other SOs are critical for creating the synergies USAID needs to achieve the strategy's overall goal of sustainable economic growth given relatively limited resources.

Environment: Environmental standards such as Green Globe and ISO 14000 are important to competitiveness and competitiveness in the tourism and agriculture clusters is directly relevant to the environmental SO's emphasis on rural development and to the quality of the natural assets. Watershed and water quality degradation threaten Jamaica's economic competitiveness. Flooding and other natural disasters also have heavy economic costs.

Health: HIV/AIDS poses a major threat to Jamaica's economic competitiveness both in terms of the available workforce and the diversion of resources from productive investment. Combating the spread of HIV/AIDS and enabling those living with the virus to remain productive will require support from a responsible private sector. Other health issues can also benefit from partnerships with the private sector.

Education: The education objective addresses basic literacy and numeracy and the broader human capacity requirements for a competitive economy. Engaging the private sector in education – in schools, with students, teachers, administrators and parents – is important to making education more relevant to Jamaica's economic needs. Private-sector alliances for education can help augment resources needed for the education sector.

Democracy & Governance: Crime and violence are critical constraints to business competitiveness, by increasing costs and discouraging investment. The DG objective addresses crime and violence by strengthening community and civil society organizations and improving community/police relations. There will be strong synergies between the new anti-corruption component of the DG objective and activities under this competitiveness objective to encourage corporate responsibility including support for rule of law and control of corruption. Activities to increase economic opportunity in troubled communities and identify alternative resources for social sector programs will also help address governance concerns.

Caribbean Regional Program: There is also strong synergy with the Caribbean regional program, specifically the regional strategic objective (RSO) *Caribbean region positioned to succeed in an open trade environment*. While the bilateral program will focus on Jamaica's specific circumstances and challenges, the region's success in trade competitiveness would certainly benefit Jamaica's bilateral efforts toward competitiveness. Regional program activities of direct relevance and support include legislative drafting, support for the Caribbean Court of Justice, assistance in adjusting to trade agreement rules, and work on environmental and disaster prevention frameworks.

b) Assumptions and Risks

Several critical assumptions are identified in the Results Framework chart. The first is that the country will achieve macroeconomic stability, an essential condition for competitiveness. In light of the recent deterioration in outlook, the critical assumption might be better presented as a risk, or, stated optimistically, that the crisis can be contained.

Political stability is also important to competitiveness and, while recent trends have been positive, efforts to mitigate the economic crisis could result in social unrest. A related assumption is that the level of crime can be reduced. Throughout the program, attention is given to address causes of crime and violence, but USAID's interventions are necessarily limited to a few target communities or are of the type that will effect change over the longer term.

Two additional assumptions are that the partners are receptive to assistance and that the move to a single regional market will continue.

c) Other Donors and Donor Coordination

Other donor agencies are supporting programs similar to, or even overlapping, with USAID's competitiveness objective. The Mission will seek to take the lead in achieving closer coordination in this area and leverage and partnering with them as appropriate. For example:

IDB/IMF has programs to improve competitiveness through adoption of management system standards (e.g., project on Quality, Environment and Food Safety Systems in SMEs), reducing regulatory burdens, encouraging the use of remittances as a development tool, and strengthening SME competitiveness through information technology.

UNDP has a project aimed at sustainable job growth by facilitating, generating and promoting innovative and competitive export opportunities.

DFID is providing joint support with USAID of the Jamaica Cluster Competitiveness Project.

EU is launching what is envisioned to be private-sector driven project through JAMPRO, Jamaica's public sector agency that seeks to promote foreign and domestic investment.

With regard to the business environment and, specifically the threatening fiscal and

macroeconomic problems, close coordination among donors will be crucial. Fiscal problems already constrain the GOJ from meeting counterpart requirements for donor projects. The changes that need to be made will require cooperation not only of the Jamaican social partners, but also of Jamaica's external development partners.

d) Illustrative Activities and Partners

Possible cluster development activities include workshops and conferences for member firms, assistance in adopting modern marketing tools including e-commerce, and training in competitive business skills. The Jamaica Exporters Association is likely to continue to be a major partner; others include the Jamaica Manufacturer's Association and the Shipping Association. Activities within the agribusiness cluster include joint purchasing and marketing and supply chain improvements. Activities in the entertainment cluster range from exploring private-sector alliances to establish physical facilities for music production that would be internationally competitive to intellectual property issues concerning royalties and related topics.

Activities to improve the business environment are likely to include some current activities such as addressing legislative and regulatory constraints, but their selection will reflect their importance to the target clusters. One area of assistance may be helping the GOJ to update the Information and Communications Technology Country Strategy and the National e-readiness Review. Another is work with the Ministry of Finance on tax administration and structure, which has implications both for Jamaica's adjustment to trade agreements and for its fiscal stability. Work with Customs and the Shipping Association to streamline procedures could enhance competitiveness directly and help meet trade agreement requirements.

Depending on receptivity, technical assistance to help the GOJ overcome its fiscal and macroeconomic challenges may be a significant activity. USAID will provide assistance to help educate the public on economic issues and build consensus and demand for reform and support efforts to forge a social partnership for economic reform and progress. Prospective partners would include the government, private sector, labor, academia and civil society.

3. Preliminary Performance Management Plan

While Jamaica's overall trade competitiveness is not entirely within the SO Team's manageable interest or attributable to USAID intervention, given the overarching importance of competitiveness to the strategy, the Mission proposes to track two "contextual" indicators:

- Competitiveness ranking (World Economic Forum ranking, overall/current)
- Trade policy index (Millennium Challenge Account/Heritage Foundation)

Two SO-level program indicators are being proposed:

- US\$ amount change of private investment in targeted clusters
- US\$ value of exports in targeted clusters

Information for these indicators is expected to be available through the Statistical Institute of Jamaica. Preliminary IR-level performance indicators are noted on the Results Framework chart in Section 2.

4. Estimated Resource Requirements

a) USAID Costs

The total projected USAID program cost to achieve this competitiveness objective is \$17.025 million over the five year time period. The preferred level of \$20.5 million would permit more

aggressive action in support of fiscal and macroeconomic reforms.

b) Other Resources (other donors, partners, host country)

The emphasis on partnerships in the strategy will mobilize substantial additional resources for development. The Mission anticipates other donor programs in competitiveness will at least equal the USAID investment in this SO and that the GOJ and private sector will bring equivalent resources to achieving the objective. In addition, private sector partnerships are expected to generate significant resources for education and other program objectives. For example, one of the Jamaica-Florida linkages established under the Ambassador's Building Bridges initiative has already generated commitments of \$200,000.

c) Start and End dates

This strategic objective builds on activity under the FY 2000-FY 2004 strategy that will continue into FY 2005. Activity design work for the new objective and some transition activities will begin during FY2004. Implementation of the major activities under the new strategy will begin as early in FY 2005 as funds can be made available and will be completed by the end of FY 2009

B. Natural Assets Managed for Rural Development

1. Background and Rationale for the SO

There is an inextricable link between Jamaica's economy and its natural resource base. Major industries such as tourism, bauxite and agriculture can have deleterious effects on the natural capital base on which their continued sustainable growth depends. Negative impacts of improperly planned urban and tourism developments, such as poor solid waste and sanitation management, are manifested in the deterioration of the coastal zone, coral reefs and artisanal fisheries. Poor agricultural practices reduce soil stability. Chemical run-off affects not only rivers and streams, but ultimately the coastal waters. Floods are increasingly frequent and damaging to the economy.

USAID is currently engaged in rural areas helping strengthen community capacity and improve economic activity, locally and in the international marketplace, through environmentally appropriate practices and products. For the new strategy, USAID will build on this experience, continuing to address environmental concerns – especially watershed and disaster vulnerability management – with a program approach that more comprehensively incorporates the socio-economic problems of the rural poor and their impact on natural resources.

The island ecosystem or integrated “ridge to reef” approach to natural resources management on which the mission's prior strategy has been built is very similar in concept to the State Department's “white water to blue water” initiative announced at the 2002 World Summit on Sustainable Development. Although the basic premise of the “ridge to reef” approach remains valid, the new strategic objective framework expands and refines our attention to the economic development needs of poor rural communities.

While programs under other SOs deal with crime and violence issues, improvements in the physical environment of troubled inner city communities may also be an important consideration. Program resource constraints rule out the substantial investments likely to be needed to make a significant difference, but some limited exploratory analysis and activity

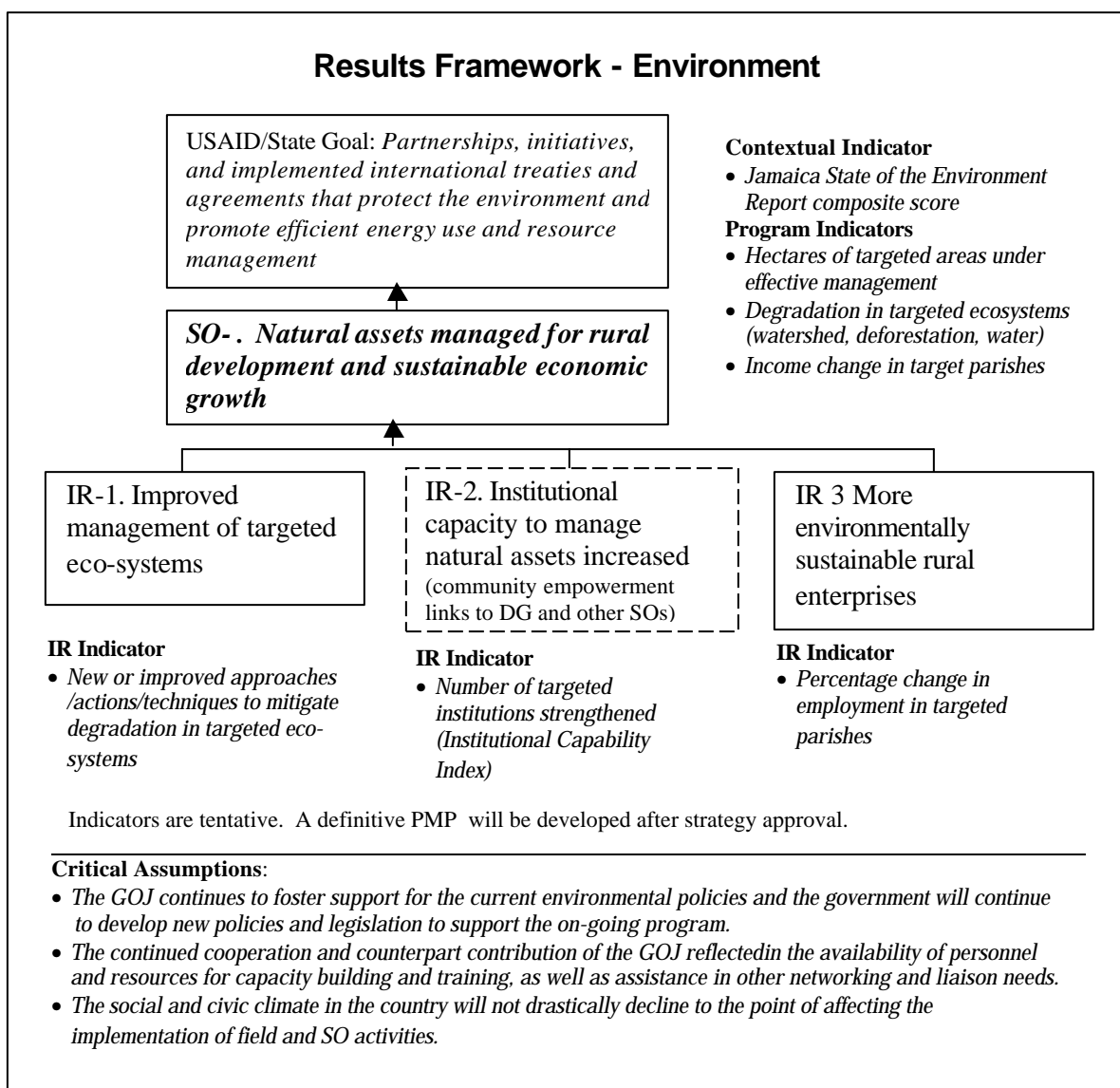
may be pursued.

This strategic objective supports the USAID/State Joint Strategic Plan Performance Goal: *Partnerships, initiatives, and implemented international treaties and agreements that protect the environment and promote efficient energy use and resource management*. It supports the U.N. Millennium Development Goal to *Ensure environmental sustainability*.

2. Results Framework

The new strategic objective, *Natural assets managed for rural development and sustainable economic growth*, emphasizes the relationships between effective natural resources management, rural development and sustainable economic growth. Implicit in this statement is that the natural resource base has economic value. The natural resources or ecosystems on which the main sectors of the economy are developed become part of the capital inputs that are amortized in the cost-benefit analyses of the sectors over time.

The strategic objective brings to the fore concern for the impact of economic development on the natural resource base together with increasing awareness of the close interrelationship between poverty, especially rural poverty, and environmental degradation. Extreme poverty forces residents to eke out a living on marginal lands and more fragile ecosystems. Unsustainable production systems only cause these lands to become further degraded. Sustained economic growth, therefore, must include a mechanism to address the issues of environmental degradation as a direct consequence of rural poverty.



IR 1. Improved management of ecosystems: This IR will build on the current strategy's successes in watershed management and water quality improvement. In addition, best practices and management for the conservation of biodiversity-rich habitats will be explored.

Ecosystem degradation exacerbates the frequency and impact of droughts, floods, landslides, forest fires and other natural hazards. Special emphasis will be given to watershed management and land use planning to reduce recurrent flooding and the losses caused by such disasters. There is also a need to assess the functions and values of ecosystems in terms of their social, economic and environmental costs and benefits. The focus on water quality improvement will include efforts to establish and institutionalize riverine and coastal water quality monitoring and improve potable water quality. An integrated water resources management approach to address these problems will include national water use, quality and management policies, financing and monitoring mechanisms, and governance mechanisms to improve community participation in these processes. Current experience shows that integrated management of river basins with transfer of management responsibilities from the ministries of the central government to local groups consisting of local government, NGO and private sector representatives makes for better stewardship of the resource.

There is also a link between water, sanitation and health. One of the main contaminants of water is sewage from poor sanitation and wastewater practices, but other contaminants such as nitrates from agricultural run-off may be important. There is a need to raise the awareness and understanding of the linkages between water, sanitation and hygiene and poverty alleviation and sustainable development.

Threatened ecosystems, like coral reefs, wetlands and tropical forests, increase the risk of losing valuable endangered species. Biodiversity conservation will be addressed in the context of improved management of terrestrial and marine parks and protected areas.

IR2. Institutional capacity to manage natural assets increased: Weak financial and management capacities of public and private institutions in rural communities limit the effectiveness of natural resources management and the implementation of environmental best practices. The program will give attention to skills and capacity building, targeting community and national personnel, especially in the government agencies that will sustain USAID initiatives, as well as in civil society groups, e.g., NGOs and CBOs. Areas of possible skill enhancement include physical planning, agricultural best practices, environmental audits, etc.

The GOJ is in the process of reforming and decentralizing local government mechanisms. "Act locally" is an imperative of environmental management and overall development and building capacity at the community level will be a significant element in the natural assets and rural livelihoods area of intervention. USAID will contribute to this process in rural communities by strengthening the governance mechanisms for NGO, civil society and local government inclusion in community environmental management. USAID will also continue working with the GOJ to strengthen its resources to handle and manage natural resource management. In particular, assistance will be given in the management and development of policy frameworks for coastal zone and marine areas, watersheds, biodiversity and tropical forestry, as well as public sensitization to environmental issues and regulations.

Special focus will be placed on strengthening the management of both government and non-governmental institutions that have been delegated responsibility to manage parks and protected areas in Jamaica. This will include policy and legislation, as well as capacity strengthening and development for NGO financial and institutional management.

The urban environment in troubled inner city communities is another area needing attention. It is not clear that crime and violence, a major impediment to Jamaica's competitiveness and economic growth, can be substantially reduced without tackling the problems of the physical environment. With limited resources, USAID will consider a pilot activity and some exploration of affordable approaches and possible public/private partnerships.

IR3. More environmentally sustainable rural enterprises: This IR will focus more specifically on the linkages between resource management, rural poverty and economic growth. The aim will be to enhance rural prosperity through new and improved environmentally and economically sustainable rural enterprises. The program will seek to improve local and international trade competitiveness through enterprises and products of environmental best practices. This would include Environmental Management Systems (EMS) programs in the public and private sectors that may include internationally recognized certifications such as organic, ISO 14001, Green Globe and Blue Flag.

Tourism is a targeted competitive cluster and an area of economic opportunity for rural communities. Development of eco-tourism, community tourism and heritage tourism can help

to broaden and diversify the industry and make good use of the natural and human capital, provide employment and address rural poverty. Agribusiness is a second sector targeted under USAID's planned program for competitive clusters. Along with the best practices for reduced pesticide use and environmentally sound agricultural techniques that will be introduced and improved under IR1, the crops and produce selected will be promoted and helped to compete in local, regional, and international markets.

The enterprise development program will address the environmental impacts of trade liberalization including use of non-renewable resources, seek ways to internalize the costs of negative effects of production, and promote policy reforms to remove subsidies that cause over-exploitation of resources, for example, in fisheries. The program will also emphasize environmental aspects of trade agreements such as the WTO, FTAA, CSME, etc., for example, how eco-labeling, packaging, and sanitary and phytosanitary regulations may restrict or enhance market access.

Access to finance is a limiting factor for the development of new enterprises and productivity improvements, including environmental retrofitting within existing enterprises. The Mission will build on past success with micro-enterprise development credit under its economic growth SO and promote access to financing in targeted poor rural communities. Commercial financing has also been leveraged through partnerships with USAID's Development Credit Authority for credit guarantee programs for environmentally friendly micro-enterprises.

a) Cross-Cutting Issues:

Policy: Strengthening policy and developing sound legislative frameworks will be critical to all aspects of this Strategic Objective. The Mission has assisted the National Environment and Planning Agency (NEPA) in conducting a Policy Gap Analysis of Environmental and Spatial Planning Policies for Jamaica, which will inform the direction for policy development activities in the new strategy.

Public Sensitization: During the current strategy, a survey found that continued special emphasis on public education in communities, outside the primary school setting, is required to demonstrate and build awareness of good environmental practices. The Mission will continue to work with the GOJ to improve environmental literacy throughout Jamaican society, with focus on the strategy's targeted areas such as biodiversity and water quality.

b) Linkages and Synergies

Economic Growth/Competitiveness: The links to economic growth and the competitive clusters objective include attention to the environmental impacts of production and trade, especially within the targeted clusters, as well as the clear relevance of tourism and agriculture to rural development. This natural assets/rural development objective broadens the growth and competitiveness objective from its urban and national focus and will facilitate and complement the program in rural areas.

Health: The links between water, sanitation and health have been noted. There are also opportunities for synergies in public education on environmental issues and building community capacity to manage resources with the effort to promote healthy lifestyles.

Education: Environmental literacy is just one of the myriad expectations of the educational system. The focus of environmental management and rural development activities on rural communities will complement efforts to build community support for education, especially in targeted poor rural communities.

Democracy and Governance: The natural assets/rural development SO, especially activities to strengthen community management capacity and improve economic conditions, will complement the more national and urban focus of security and participation SO activities and facilitate their extension into troubled rural communities.

Caribbean Regional Program and Disaster Management: The new strategy for the Caribbean Regional Program incorporates environmental and disaster prevention frameworks, i.e., policies, entities and incentives that will protect natural assets for sustainable economic activity and guide that activity so that exposure to natural hazards is minimized. The Jamaica program will draw support from the CRP and facilitate national level implementation of the frameworks.

c) Assumptions and Risks

Two critical assumptions for the natural assets management for rural development and sustained growth objective depend on government capacity and will:

- The GOJ continues to foster the current environmental policies and the government will continue to develop new policies and legislation to support the on-going program.
- The continued cooperation and counterpart contribution of the GOJ reflected in the availability of personnel and resources for capacity building and training, as well as their assistance in other networking and liaison needs.

A third assumption also may hinge on response to the current threatening fiscal and macroeconomic situation.

- The social and civic climate in the country will not drastically decline to the point of affecting the implementation of field and SO activities.

d) Other Donors and Donor Coordination

The Mission collaborates with the Government of Jamaica on ensuring coordination with other donor efforts in environmental management on the island. The Planning Institute of Jamaica (PIOJ) is the coordinator of the Donor Environmental Coordination Committee. Major donor partners include the European Union, the Canadian International Development Agency, the Environmental Foundation of Jamaica, the Inter-American Development Bank, the United Nations, and the Inter-American Institute for Cooperation on Agriculture. See Annex G for details of other donor programs and donor coordination in Jamaica.

e) Illustrative Activities & Partners

The program will build on the successful interventions, continuing activities that work towards Coastal Water Quality Certification and Green Globe Certification of destinations. Partners include NEPA, the Port Authority, Ministry of Tourism, Jamaica Manufacturer's Association, parish councils and local governments. Work in watershed management will focus on new areas of development, but will continue activities with NEPA, Watershed Management Committees, local governments, the Forestry Department and Ministry of Agriculture. Activities supporting improved management of Parks and Protected Areas which will work with NEPA and local NGOs delegated to manage the protected areas to strengthen their capabilities in this regard.

Efforts to leverage commercial sources of funding for environmental retrofitting in small and medium enterprises will continue through partnerships involving USAID's Development Credit Authority, the local commercial banking sector and the Mission's Economic Growth team.

Rural enterprise development activities will focus at least initially on tourism and agriculture/agribusiness and be undertaken in concert with the competitiveness SO. USAID will also seek external partnerships to leverage ideas and resources for rural development. It may be possible to leverage the major food-aid program recently announced by Food for the Poor, a U.S. PVO, as a resource for agricultural development.

3. Preliminary Performance Management Plan

The quality of Jamaica's natural assets is critical to the economic sector. While this overall quality is not entirely within the SO Team's manageable interest or attributable to USAID intervention, the Mission proposes one "contextual" indicator:

- Jamaica State of the Environment composite score

NEPA is planning to track "Essential Sustainable Development Indicators (SDIs)" that will be measured and reported annually. NEPA estimates that these indicators will be agreed to and reported on in 2004 at which point the SO will identify those indicators which are appropriate for monitoring environmental management.

Three SO-level program indicators are being prepared:

- Hectares of targeted areas under effective management
- Degradation in targeted ecosystems (deforestation, water)
- Income change in target parishes

Baselines will need to be determined to establish targets. Preliminary IR-level performance indicators are noted on the Results Framework chart in Section 2.

4. Estimated Resource Requirements

a) USAID Costs

The estimated funding level for USAID for this program for the five-year strategy period is \$19.2 million. More resources for rural development are the Mission's highest priority if any additional funds beyond the base strategy cost can be made available.

b) Other Resources (other donors, partners, host country)

Section 2.b. above provides a brief statement on related activities of other donors, with more detail provided in Annex G. While other donor programs are not integral to the USAID strategy, they will bring substantial added resources toward the overall environmental objectives. At present there is minimal other donor involvement in rural development.

The GOJ will contribute budgetary resources and personnel. Agencies such as NEPA spend substantial time on the management of project activities. Local communities and NGOs engaged in environment and rural development activities will make modest contributions within their resource constraints. USAID will use partnership mechanisms to leverage resources from international non-governmental sources.

c) Start and End dates:

Activity and procurement planning will begin in the second quarter of FY2004 so that initial activities can begin by October 1, 2004. Activities will be completed and the strategic objective met by September 30, 2009.

C. *Improved Health*

1. **Background and Rationale for the SO**

Health affects productivity and thus economic competitiveness. In Jamaica, besides reducing productivity, HIV/AIDS and violence threaten the marketability of Jamaica's tourism product, and the threat reaches beyond its borders. Health issues in Jamaica are lifestyle issues. The major causes of death and disability stem from high-risk behaviors. Adolescent health risks include substance abuse; early sexual activity; sex with multiple partners and failure to use contraceptives; physical and sexual abuse; and a tendency to violence, depression and suicide.

The Jamaican HIV/AIDS epidemic varies by geographic area with low, concentrated and generalized epidemics being experienced in different parts of the country. AIDS is the second leading cause of death in children aged 1-4 years and the leading cause of death in women aged 20-29 years. There is a concentrated epidemic among homosexual and bisexual men (25% seropositive), female commercial sex workers (20% seropositive) and those with an existing STI (5.6% of clinic attendees). However, there is considerable under-reporting and the magnitude of the epidemic is not known with precision.

The GOJ established the National HIV/AIDS/STI Program in the late 1980s and Parish AIDS Committees have been formed in all 14 parishes. Although the National Strategic Plan has indicated the need for a multisectoral approach, the response remains mainly in the health sector. The National AIDS Program is implementing the 2002-2006 strategic plan funded by the World Bank and USAID. Resources are reasonably well balanced between prevention, care and support, and capacity building, but most of the prevention resources go to broad-based programming rather than being targeted on high-risk sub-groups.

The Ministry of Health (MOH) is developing a new "Healthy Lifestyles" strategy that emphasizes early intervention to encourage young people to adopt healthy behaviors in five areas: physical activity, eating behavior, smoking and other substance abuse, violence and injury, and sexual behavior. A cross-cutting theme in the MOH strategy is the need to strengthen self-esteem, resiliency and life skills.

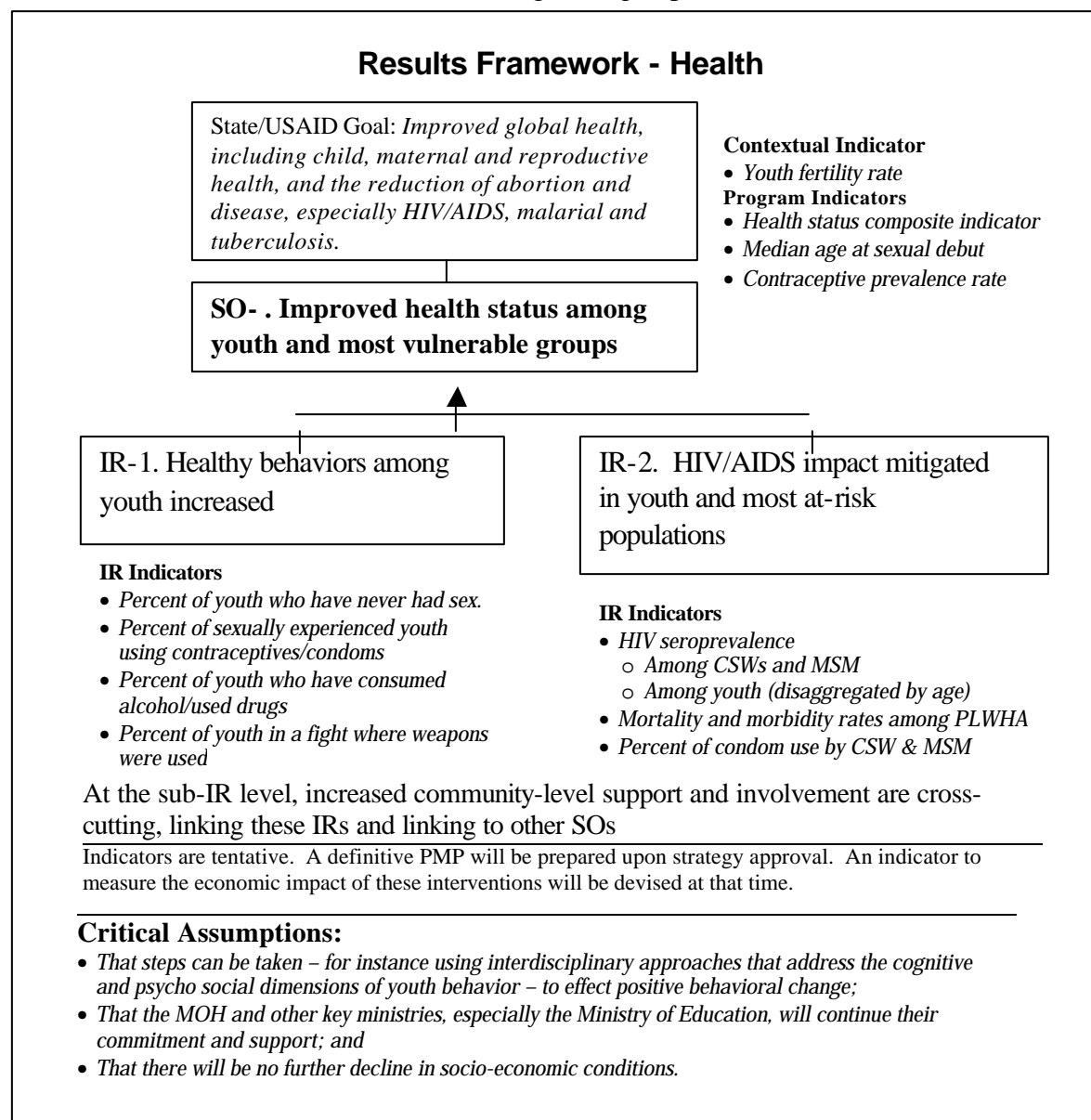
USAID's current health program focuses on adolescent reproductive health and HIV/AIDS. The new health strategic objective for the period 2005-2009 - ***Improved health status among youth and most vulnerable groups*** – will continue to address reproductive health and the HIV/AIDS challenge, while expanding the focus to include substance abuse and violence. The target groups continue to be youth, those sub-groups that are especially at risk for HIV infection – commercial sex workers (CSW) and men who have sex with men (MSM) – and people living with HIV/AIDS.

The health SO contributes directly to the USAID/Department of State joint strategic plan performance goal of *Improved global health, including child, maternal and reproductive health, and the reduction of abortion and disease, especially HIV/AIDS, malaria and tuberculosis* and indirectly to the *Economic Prosperity and Security* goal. It also supports the UN Millennium Development Goal to *Combat HIV/AIDS, malaria and other diseases*.

2. **Results Framework**

The strategic objective will be achieved through two intermediate results. One IR focuses on promoting healthy behavior among Jamaica's youth. The second IR aims at stemming the HIV/AIDS epidemic, with particular attention to those most at risk. The two have substantial areas of overlap and opportunity for synergy. Some of the risky behaviors of adolescents put

them at risk of HIV/AIDS, while HIV/AIDS high-risk groups include some adolescents.



IR-1. Healthy behaviors among youth increased. USAID will build on the foundation of its current program in adolescent reproductive health, continuing support for a core package addressing early sexual initiation, multiple partners and unprotected sex, while broadening the package to address two other behavior areas identified in the national health promotion strategy that are closely related to sexual risk-taking, namely, gender-based sexual violence, and alcohol and drug use. As in the national strategy, emphasis will be on cross-cutting issues of self-esteem, resiliency and life-skills.

To achieve the targeted behavioral change, program activities will:

- Expand access to youth-friendly services;
- Improve knowledge, attitudes and skills related to healthy behavior;
- Increase community support and involvement; and
- Support implementation of improved national policies and guidelines.

Government health centers have not been an effective way of reaching many adolescents, so

the focus will be on alternative “youth friendly” points of service delivery and include activities to increase the capacity of service providers, add new youth development partners and implement innovative new service delivery approaches. Programs will reflect the different risk and behavior patterns of boys and girls and help address the marginalization of many young males. A recent Uplifting Adolescents Program (UAP2) study found that teens participating in the out-of-school programs received a lot of specialized attention, which helped them reach higher levels of achievement. Not only did the teens confide in their instructors about education issues, but also about personal and home related issues. Close collaboration with education SO programs such as UAP2 will provide opportunities to reach these high-risk youth about reproductive health and HIV.

It is important to reach children early with healthy lifestyles knowledge, attitudes and skills. Schools are an important means of reaching large numbers of young children as well as their parents and communities. Interventions such as training and sensitizing teachers and administrators will be coordinated with education SO activities. More advanced NHP schools will be especially well positioned to implement enhanced reproductive health/healthy lifestyles/life skills programs and become models of “healthy schools.” Parents, other community groups and faith-based organizations will also be engaged. All programs will be coordinated to target troubled and underserved communities in both urban and rural areas.

IR-2. HIV/AIDS impact mitigated in youth and most at-risk populations. To have maximum impact on HIV/AIDS prevalence, USAID will focus its limited resources on reaching the most vulnerable people at the highest risk of HIV transmission and on building community support. The approach will increase availability and use of strategic information for formulating policies and informing practices in implementing policies and practices and will push the HIV/AIDS program to the local level principally through increased support for NGOs, and build supportive community attitudes and services, and private and multi-sectoral support.

With the reproductive health focus of the adolescent healthy behavior IR, there is clearly a large area of overlap in addressing HIV/AIDS. Activities under this IR will support the delivery of appropriate information and services to young people as a key part of the healthy lifestyles package. In addition to youth, the initial targets will be the high-risk sub-groups of CSW and MSM. A priority of the program will be to obtain better health/HIV information which can be used to better target and shape the program.

Strong leadership and clear guidance from the national level is needed to address the serious health challenges facing Jamaica. However, consistent with other program components, USAID’s HIV/AIDS activities will emphasize engagement at the community level. The program will establish and strengthen community-based and client-focused services, including voluntary counseling and testing (VCT) and prevention of mother to child transmission (PMTCT) as well as care and treatment of persons living with the disease.

Stigma and discrimination are significant obstacles to an effective response to HIV/AIDS in Jamaica. By giving HIV/AIDS a human face, the localized approach will not only deliver better services but also help support necessary changes in attitudes and behaviors that go against entrenched biases and current societal norms and expectations as, for example, discussed in the gender analysis (Annex B). As elsewhere in the strategy, USAID will build support for policy change at the national level from the ground up.

Another element of the community-based approach will be efforts to mobilize resources from the private sector and other non-governmental institutions including the religious community,

and to achieve a truly multisectoral response to the HIV/AIDS threat.

a) Linkages and Synergies

Economic Growth: The strong link between health and productivity has already been noted. School dropouts and underachievers are less able to contribute to a competitive economy and the business community identifies crime as a major constraint. HIV/AIDS looms as a great threat to productivity, directly affecting attendance, performance on the job, and increased payouts from medical insurance schemes. Coordinated efforts across SOs will engage the business community in support for youth through health and education programs and in the battle against HIV/AIDS, beginning with reducing workplace discrimination.

Environment: Poor rural communities are among the most vulnerable and underserved. Environmental activities, especially in water and sanitation, will make communities healthier and safer. Areas of coordination with the environmental SO will include building local capacity in target communities and addressing the interaction of tourism and the spread of HIV/AIDS.

Education: Family life education is intended to integrate health issues in the school curriculum, with the potential to reach a large number of young people. USAID will support strengthening the HFLE policy, explore development of an HIV Education strategy with UNESCO and the MOE and strengthen the ARH/HIV peer education program. New Horizon Schools will provide opportunities for enhanced health programs and “healthy schools” models. Training for teachers and school administrators under the education SO will provide opportunity to piggyback training and sensitization on health and HIV/AIDS issues. Similarly, education programs reaching out of school youth are an opportunity to deliver the knowledge, awareness and skills to avoid risky behavior to that vulnerable population. Another area of synergy is parent and community involvement.

Democracy and Governance: The legal environment has important impact on effectiveness of ARH and HIV/AIDS programs. Interventions might include engaging ministerial and parliamentary staff and legislators to increase the national dialogue on HIV/AIDS. Two areas for legal attention are access to services by young people below the age of consent and protections for sexual minorities and persons living with HIV/AIDS. There is significant synergy between the health SO and the security and participation SO in community and parental involvement and issues of stigma and discrimination, drug abuse and violence and conflict resolution. Targeting of communities will be coordinated to enhance the opportunities for synergies.

Regional HIV: Linkages between the bilateral and regional HIV/AIDS programs will be strengthened and leveraged on both sides. Reflecting the regional nature of the HIV/AIDS challenge, the bilateral program will rely heavily on the regional program and regional institutions, especially tapping CAREC, with support from the CRP and CDC, to improve the data/information available for Jamaica. For drafting model legislation related to human and legal rights, the bilateral program will rely on the regional Legislative Drafting Facility supported by CRP. The CHART centers, which provide training to enhance skills in addressing HIV/AIDS, provide a further opportunity for significant mutual benefit between the regional and bilateral HIV/AIDS programs.

b) Other Donors and Donor Coordination

Adolescent Reproductive Health: Other donor activities that complement USAID’s program include UNICEF’s Adolescent Development and Participation program, CIDA’s Improving

Adolescent Access to Services Promoting Sexual and Reproductive Health project, UNFPA activities with the National Family Planning Board and the National Centre for Youth Development (NCYD).

HIV/AIDS: Until recently, USAID has been the principal grantor to the GOJ's HIV/AIDS program while the World Bank is the major provider of loan funding with a US\$15 million loan to boost the HIV/AIDS program over the next 5 years. USAID and the World Bank team continue to coordinate on the national HIV/STI program development to ensure that programs are consistent with the goals of the National Strategic Plan for 2002-2006. The Global Fund will provide the MOH/National AIDS Control and Prevention Program with \$23 million over five years for providing and monitoring anti-retroviral therapy and prevention of mother-to-child transmission. Other donors include the EU, UNICEF, the IDB and PAHO.

Annex G provides more information on other donors' programs.

c) Assumptions and Risks

The strategy recognizes that (1) it is somewhat simplistic to assume that high risk sexual behavior can be changed to safe behavior by encouraging protected sex or abstinence, and (2) there is often a disconnect between the knowledge young people have and the translation of this knowledge into practice. The SO does, however, require some assumptions:

- That steps can be taken – for instance using interdisciplinary approaches that address the cognitive and psycho social dimensions of youth behavior – to effect positive behavioral change;
- That the MOH and other key ministries, especially the Ministry of Education, will continue their commitment and support even if the fiscal situation deteriorates; and
- That there will be no further decline in socio-economic conditions.

d) Illustrative Activities & Partners

USAID will continue to work with the Division of Health Promotion and Illness Prevention in the Ministry of Health as a key health partner while increasing partnerships with NGOs. Activities to reach adolescents in promoting healthy lifestyles will capitalize on the overlap among organizations dealing with adolescents and will build NGOs' capacity, individually and together, to deliver the range of services to youth including promoting healthy behavior. USAID will continue to encourage the MOH to streamline its programs and use funding in a more creative manner, including transferring some responsibilities to NGOs. The government faces likely severe resource constraints and many activities currently being undertaken by the GOJ are best carried out by NGOs in any case. USAID will help strengthen NGO programs, institutional, capacity, and sustainability to meet key service delivery needs in prevention care and support to high-risk groups and people living with HIV/AIDS.

USAID will continue technical assistance to promote policies and guidelines in such areas as provision of services to minors, STI disclosure, stigma and discrimination. Collaboration with other donors will be crucial.

3. Preliminary Performance Management Plan

Although not entirely within the SO Team's manageable interest or attributable to USAID intervention, one "contextual" indicator of improved health will be tracked:

- Overall youth fertility rate

Three SO-level program indicators are being proposed:

- Health status composite indicator

- Median age at sexual debut
- Contraceptive prevalence rate

The health status composite indicator will be developed with the Ministry of Health considering such factors as nutritional status, reproductive health, violence and drug use. Contraceptive prevalence data are already available and consistent with global reporting requirements.

Data on HIV seroprevalence, another global reporting requirement, are also available. Because of the targeted nature of the program, HIV seroprevalence among target groups will be a performance indicator at the IR level. Other preliminary IR-level performance indicators are noted on the Results Framework chart in Section 2.

4. Estimated Resource Requirements

a) USAID Costs

The total minimum estimated cost of achieving the health objective over this strategy period is \$21.45 million over the five-year period. Approximately \$1.6 million per year would support the HIV/AIDS strategy, including the HIV/AIDS specific activities under IR-2 and part of the costs of delivering HIV/AIDS information and services to young people as part of the healthy behaviors package to achieve IR-1. The remaining \$2.7 million per year will finance the balance of the costs to promote health behaviors among young Jamaicans in the broader area of reproductive health along with the related areas of substance abuse and violence. A more ideal funding level of \$25.640 million over five years would permit more impact-oriented assistance to reduce the spread of HIV/AIDS, especially targeted to NGOs.

b) Other Resources (other donors, partners, host country)

The \$15 million World Bank loan and \$23 million from the Global Fund will remain important complements to USAID HIV/AIDS program support, as will the programs of UNICEF, CIDA and other donors.

Regional programs, including USAID's CRP program and the program of the Centers for Disease Control as well as UNESCO and others, will also provide important supplemental support for controlling HIV/AIDS in Jamaica.

c) Start and End dates

Bridging activities will begin during FY 2004 and new strategy activities will begin as early in FY 2005 as funding can be made available. Activities will be completed and the objective will be achieved by the end of FY 2009.

D. Improved Education of Targeted Youth

1. Background and Rationale for the SO

Education is crucial for the growth of developing countries, as it fosters human resources for nation building. Under this SO, Jamaican children will benefit from real improvements in the access to and outcomes of education for the poor, which should lead to a real reduction of poverty. (Hughes 2001)

Human resources limit Jamaica's ability to rise to the challenge of global competition. There are about 142,000 youths who are out of school and out of work. A quarter of them did not go beyond grade nine. Fourteen percent of females and 26 percent of males are illiterate.

The education objective will complement other SOs through the preparation of well-rounded skilled youngsters who are creative thinkers and can contribute to Jamaica's regional and global economic competitiveness. Because of this linkage to economic competitiveness, the Mission proposes to foster public/private partnerships for education using the Agency's Global Development Alliance approach and other similar tools. Program activity under the Mission's prior strategy (2000-2004) has already achieved substantial leverage of private resources.

Jamaica has one of the highest homicide rates in the world, committed mostly by young men. The behavior of boys at school often mirrors that of disruptive male behavior in the wider society and adversely affects their performance. Boys' underachievement is evident at all levels of schooling. According to a recent World Bank assessment (Carlson and Quallo, 2002), by Grade 6, 30% of boys were reading below their grade level and this proportion continued throughout their schooling. This trend continues through to the CXC examinations at tenth grade and the University of the West Indies where the ratio of females to males graduating exceeds 70:30.

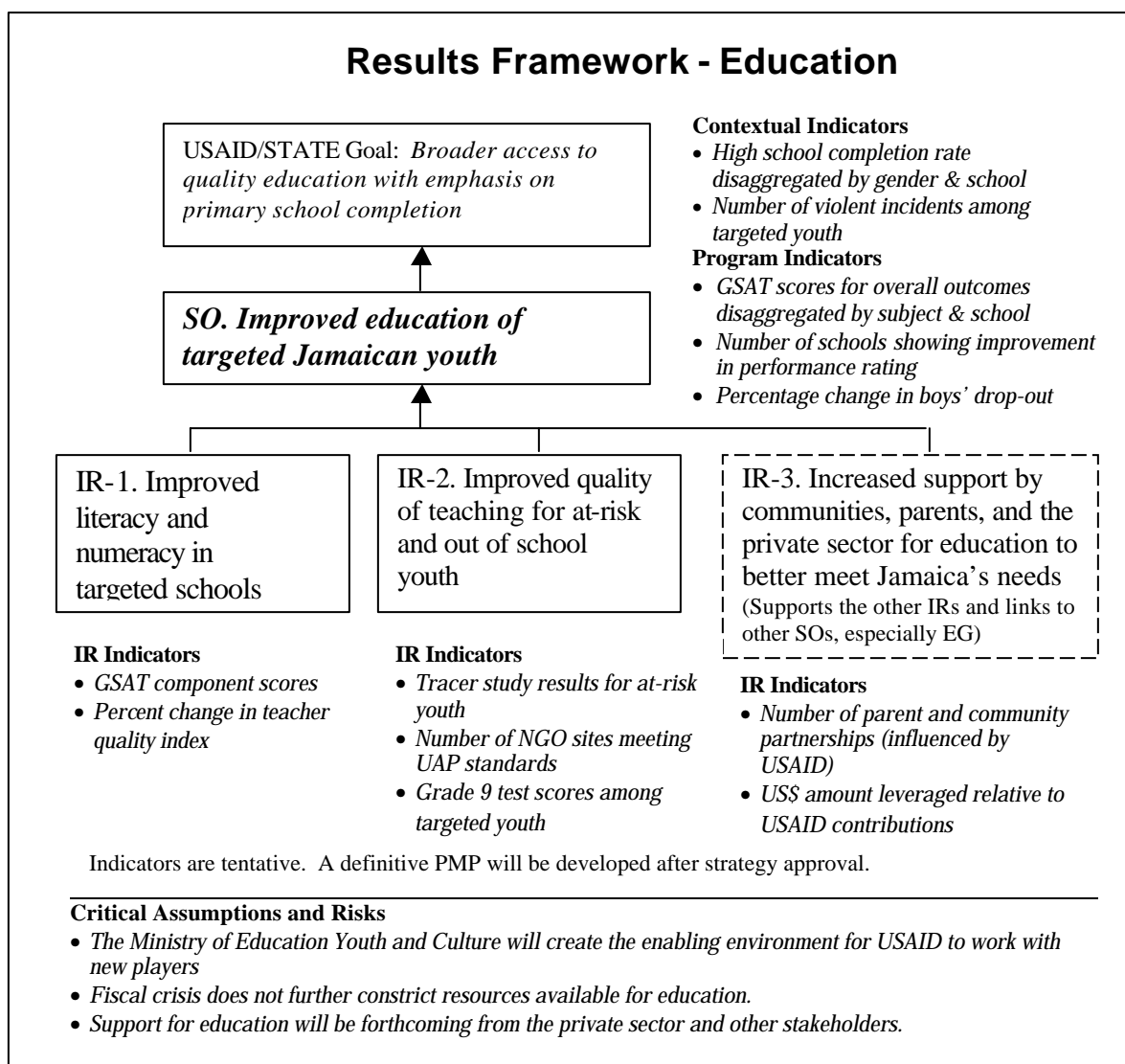
The Jamaican education system has a greater role to play now in addressing the problem of youth violence and fostering socially and emotionally well-adjusted children. Through our planned partnerships, we may replicate some of the successes of the "Change from Within" program (initiated in 1992 by the late Sir Phillip Sherlock and funded by the University of the West Indies). This approach attempted to move beyond an exclusive focus on academic performance, e.g., test scores and 'chalk and talk' teaching. It promoted a child-centered approach to teaching where schools would address children's emotional needs and social development through partnerships with communities, parents and the larger society. This approach could further promote and intensify boys' achievement in Jamaican schools.

This strategic objective directly supports the USAID/Department of State joint strategic plan performance goal: *Broader access to quality education with emphasis on primary school completion*. It also supports indirectly the *economic prosperity and security* goal and the U.N. Millennium Development Goal to *Achieve universal primary education*.

2. Results Framework

The strategic objective will build on the experience in basic education under the prior strategy. The new SO, *Improved education of targeted Jamaican youth*, will take a slightly broader approach and add emphasis on engaging parents, communities and the private sector as partners in education.

If the correct choices are not made and the necessary resources not committed, the quality of Jamaica's human capital will emerge as the major impediment to further growth and development. (Hughes 2001, p22) A multi-sectoral approach will be used to improve the



quality of education of youth at risk of dropping out of school and those in poor performing schools. Improving overall school management will also influence the quality of education for Jamaican youth. The school board and the school development teams will have an opportunity to impact school governance.

The Education SO will build on gains of the past with attention to sustainability, taking best practices to scale and involving the private sector in school partnerships. The New Horizons for Primary Schools Project (NHP) experience is a foundation. The NHP schools will provide a continuum of achievement where the most successful offer opportunities to reduce the basic interventions while adding new dimensions such as promoting healthy behaviors in support of the Healthy Lifestyles objective.

Jamaica devotes a respectable 6.3 percent of GDP to education (UNDP 2003), but funding for education at the primary and secondary levels remains a significant constraint. Furthermore, even if well funded, schools need support from parents, families and communities. The strategy will address the resource constraints of Jamaica's schools primarily through building community partnerships. Community empowerment is a cross-cutting theme throughout the program and, in the case of education, includes parent and community support for education, and especially the engagement of the private sector.

IR 1. Improved literacy and numeracy in targeted schools: The task undertaken during the first phase of the New Horizons project was enormously challenging. Changing the way teachers teach, the environment that they create, and their whole relationship with students proved difficult. The NHP evaluation report stated that:

“Achieving this transition in poorer performing Jamaican schools – those in which the teachers have little if any professional training, instructional materials are lacking, pedagogic and management support is rudimentary, children often come from low income families where print materials are scarce, parental and community involvement in schools is marginal, and physical facilities are noisy and crowded – is a process that will clearly take some years”.

This IR will build on the gains that were made, despite the many obstacles to change within the education system. The New Horizons experience has demonstrated that with the continued commitment and support of the GOJ and from USAID and other donors, the children who attend what have been Jamaica’s poorest performing schools can reach acceptable competency levels in language and mathematics.

This IR will maintain its priority on strengthening classroom teaching quality, including in-class follow-up and support, increasing opportunities for teacher interaction, maximizing effectiveness of resource teachers and exploring more opportunities for training classroom teachers, including a link with the new Caribbean Center for Excellence in Teacher Training (CETT). School management is another area that will build on a beginning made during the first phase of the NHP. The activities designed to improve school management under Phase 1 were not conclusive. The training of parents and school boards was inadequate to have delivered significant learning outcomes over a short period of time. USAID will take some of the unfinished activities to scale and continue to build capacity to sustain the gains.

IR 2. Improved educational outcomes for at-risk and out of school youth: Youth account for over a quarter of all poverty in Jamaica (Blank, 2001). The out of school population continues to be of particular concern, and are largely male, rural and poor with a limited exposure to secondary level education. Improving the education of at-risk youth will reduce the causal factor for many of the risks that young people in Jamaica face. The IR will complement the literacy improvement initiative of the Ministry of Education Youth and Culture (MOE). This plan emphasizes initiatives such as curriculum and assessment, teacher preparation, professional support for literacy, language issues, resource materials, gender and parental and community support. All these components are the underpinnings of the NHP and the Caribbean CETT.

Youth who are not in school and not in the labor force are at risk of delinquency and crime. The IR will improve the education of a significant number of at-risk youth. It will improve the status of street and working children (estimated at about 6,448) and support programs that encourage them to return to the regular school system (Cooke, 2003) and programs that address truancy and victims of child labor. The outcome will be youngsters achieving a secondary education as autonomous and motivated individuals aspiring to contribute to their communities by making a satisfactory living. In addition, students interested in real-world education can gain experience at jobsites in the community while developing their own “master skills” such as reasoning, problem solving, and communication skills. (Boss, 1998)

IR 3. Increased support by communities, parents, and the private sector for education to better meet Jamaica’s needs: There is clear need to expand the resources for education and make the system more relevant to Jamaica’s need to be internationally competitive. USAID’s

approach will use modest resources as a catalyst for dramatic change. This IR will focus on engaging community support, including support from parents, community organizations, faith-based organizations and the private sector. The approach is expected to mobilize significant added financial resources for education. It is will also lead to more supportive attitudes in the community and better parenting.

Education will be improved by engaging private sector resources at the corporate and civic levels through corporate school sponsorship, education foundation funding and national education system assistance at the local school level. The direct engagement and exchange of ideas with people in the business world will bring multi-dimensional advantages, including better appreciation of the role of education by the private sector and better understanding of the entrepreneurial imperatives among educators and students. The Mission may also seek private-sector alliances that will help support creative uses of technology – such as video-teleconferencing and wireless communication – to bring an increased quality of education to students in rural or other underserved communities. The APS mechanism will also be used to draw on the creativity and capacity of the private sector and non-governmental organizations to provide new approaches for implementation of this strategy.

a) Linkages and Synergies

Economic Growth: *The Green Paper 2000: Education the Way Upward*, sets out government's philosophy of the role of education and training:

We recognize that the world in which we operate now and henceforward is one which challenges our creativity as we seek to create new knowledge, new products and new markets. It is clear that the competition in trade, the free movements of skills, the ease of information and ideas for increased productivity and economic growth all require a population much better educated and trained than now exists. (Green Paper 2000, p.1)

Better basic education will contribute to a more competitive work force. Partnerships with the private sector can help provide the resources to improve education, while providing opportunities to identify the educational needs of the economy and to introduce entrepreneurial training into the education system. Programs for out of school youth will seek to dovetail into the HEART Trust/National Training Agency's skills training program and focus on lifelong learning. They will be undertaken in close collaboration with activities to provide economic opportunity in targeted poor urban and rural communities.

Environment: School-based programs are one mechanism for increasing environmental awareness. The rural areas for environmental focus are often poor and disadvantaged in educational opportunity as well. As attention broadens beyond the original NHP schools, synergies will be achieved by targeting poor rural schools in the same areas targeted for activities under the natural assets objective. Strengthening community capacity for managing the environment and community involvement in education will be mutually reinforcing.

Health: The Healthy Lifestyles objective and this education objective together represent a major focus on youth. Schools will be the key institutional means for promoting healthy behaviors, for example through the Health and Family Life Education curriculum. Youth activity centers will be important means of reaching especially the at-risk and out of school adolescents with both education and health programs and there will be close collaboration to support mutually reinforcing activities in target communities. As in other areas, the engagement of communities and parents will be an important factor.

Democracy and Governance: Education activities that prepare more young people for

productive lives will reduce the numbers turning to life on the streets and crime. As for health and basic education, schools and youth activity centers are important means of reaching young people to enhance their sense of citizenship and civic responsibility. Activities may include work with the Peace and Love in Schools (Pals) program to reduce violence in schools and improve the conflict resolution and programs to address the post-traumatic stress of children resulting from experiences with violence.

Caribbean Center of Excellence for Teacher Training (CETT): Under the new strategy, the linkages with the Caribbean CETT will be strengthened and the tools employed by the CETT will be made available to the schools under the NHP. Linkages to be forged under the five program components include: teacher training; development of diagnostic tools to identify and address students' weaknesses; learning materials to improve reading instruction; applied research to ensure the efficiency of the training, tools and materials; social marketing; and use of information and communications technology to broaden access to the program.

b) Other Donors and Donor Coordination

The **Inter-American Development Bank** (IDB) is providing a major education sector loan to improve primary education under the Primary Education Support Project (2000-2005). Areas of focus include enhancing teaching skills, institutional strengthening and improving school infrastructure. The IDB is complementing USAID's work with the pre-service teachers in continuing to work to revise the teacher training college curricula.

UNICEF is funding an activity to address Integrated Early Childhood Care which will foster a policy, planning and programming environment that mainstreams young child issues, facilitates actions and mobilizes resources for early childhood.

DFID is funding the Jamaica All-Age Schools Project (JAASP) which is focused on the elimination of poverty through improvements to the quality of education provided for children from the poorest communities in Jamaica, tackling key issues of access, quality, retention and equity in 48 remote rural All-Age schools.

The **World Bank** is funding the Reform of Secondary Education II (ROSE II) to continue to improve the quality and equity of secondary education.

Annex G provides additional information about other donor programs.

c) Assumptions and Risks

The strategic approach assumes that the MOE will create the enabling environment for USAID to work with the new players that will be a selected number of poor performing high schools and private sector interests. The MOE has had an excellent track record of collaborating with the private sector. The success of IR-3 depends on private sector sponsorship and support from all community stakeholders.

There is significant risk that the GOJ will face a fiscal crisis early in the strategy period, which may constrict public sector resources available for education, including MOE staff.

d) Illustrative Activities & Partners

The SO team will continue to work with the Ministry of Education Youth and Culture and specifically the Professional Development Unit, the National Council on Education, the National Center for Youth Development and the Curriculum and Support Services. Other implementation partners will include institutional contractors, NGOs and CBOs. In the case of the at-risk youth, the SO team will seek to leverage the support of other agencies working with

this group and build synergies in order to avoid duplication. Activities to increase community support will include working through and with local parent organizations, other community organizations and especially private sector organizations.

3. Preliminary Performance Management Plan

Although not entirely within the SO Team's manageable interest or attributable to USAID intervention, two contextual indicators will be tracked:

- High school completion rate disaggregated by gender and school
- Number of violent incidents among targeted youth

Three SO-level program indicators are being proposed:

- GSAT scores for overall outcomes, disaggregated by subject and schools
- Number of schools showing improvement on performance rating
- Percentage change in boys' drop-out rate

Preliminary IR-level performance indicators are noted on the Results Framework chart in Section 2.

4. Estimated Resource Requirements

a) USAID Costs

The total baseline USAID cost to achieve this education objective is \$17.325 million over the five year time period. Approximately half will be used to improve teaching and management in poor performing schools, with the other half divided evenly between activities to improve educational outcomes for at-risk and out of school youth and strengthening support by communities, parents and the private sector. At a more ideal level of \$21.2 million, the program could invest more in innovative pilot approaches to bring quality education to underserved rural and urban communities.

b) Other Resources (other donors, partners, host country)

USAID/Jamaica has had success in collaborating with the donor/lender community in implementing education projects in Jamaica. The Primary Education Support Project (PESP) funded by the IDB (\$31.5m), OPEC (\$4m), and GOJ (\$4m) is closely complementing NHP activities. Other donor programs focus on other parts of the education system and the entire system can benefit from closer coordination of these programs.

Potentially even more important will be the resources realized from community participation and private sector partnerships, not just in terms of financing, but even more in terms of the human resources and interaction that will support learning and influence institutional changes needed to produce education that meets Jamaica's needs.

The GOJ will contribute budgetary resources and in-kind support from government agencies, contributions in office space, technical staff who are seconded to the USAID project and administrative services.

c) Start and End dates

The strategic objective builds on activities under the FY 2000-2004 strategy that will continue into FY 2005. Activity design work for the new objective and some transition activities will begin during FY 2004. Implementation of the major activities under the new strategy will begin as early in FY 2005 as funds can be made available and will be completed and the objective achieved by the end of FY 2009.

E. Improved Security and Participation

1. Background and Rationale

With a homicide rate of 40 per 100,000 persons in the year 2002, Jamaica had the fourth highest homicide rate in the world after South Africa, Mozambique and Colombia. This is a curious paradox as the statistics are juxtaposed with a strong and vibrant democracy that offers freedom of speech, a strong and independent judiciary and has held free elections at regular five-year intervals over the last forty years.

Despite a 40-year history of stable democracy, Jamaica faces serious challenges to its democratic institutions and practices. Chief among these, as the Democracy & Governance Assessment in 2001 concluded, are the nation's persistent problems with good governance, especially as this relates to the state fulfilling its most basic role – that of ensuring citizen security. The governance problems are complex and seem to emanate from Jamaica's poor economic performance, its growing role as a transshipment point for narcotics, and a style of political representation that has fostered political tribalism.

Poor economic performance contributes to crime. Conversely, the business community cites crime as one of its most serious problems. Violent crime, with associated higher costs and risks, is a major deterrent to new investment and to Jamaica's economic competitiveness. In his report on "Governance and Social Justice in Caribbean States," Dr. David Dollar states "if Jamaica were to improve its Rule of Law measure to the level found in the Bahamas, St. Lucia, or Trinidad and Tobago, it could expect about 50% more foreign investment, about 2 percentage points higher growth ---" (Dollar 2000).

Corruption, like crime, inhibits efficient use of resources and economic competitiveness. While it is difficult to provide specific evidence regarding corruption in Jamaica, there is widespread perception that it is commonplace, which led to recent enactment of the Corruption Prevention Act. Both Transparency International and the World Bank put Jamaica in the bottom half of countries in their ratings on perceptions of corruption.

To improve performance in the rule of law and control of corruption, some serious challenges must be overcome:

- A significant alienation exists between the members of the Jamaica Constabulary Force and the average citizen especially in certain inner-city communities.
- Inefficiency and delays in the courts create skepticism about the legal system's ability to deliver justice. In many inner-city communities, leaders mete out "justice" outside the legal system and individual efforts to resolve conflicts without resort to the legal system add to the violence.
- Despite Jamaica's relatively small size and democratic traditions, there are problems of distance between the people and their government. Civil society groups lack cohesiveness and political clout. Decentralized local government has given way to centralized control. Efforts to devolve authority back to parish councils have been handicapped by social fragmentation and decay (CIDA 1999) and some political resistance to power sharing.
- The education system in Jamaica has de-emphasized content, such as teaching civics, that might exercise a stabilizing influence on the youth and reinforce basic values of society.

Other social problems also contribute to Jamaica's governance challenge – the large number of single parent families, absence of fathers, underperformance of boys in school, early sexual activity and teen pregnancy, and other factors causing young people to be poorly prepared to be responsible and productive citizens.

The strategy will tackle these challenges to good governance, which is an important foundation for economic competitiveness, through coordinated activities under all strategic objective areas. This democracy and governance objective will build on the programs under the prior strategy, which has three main components – strengthening civil society, improving community-police relations, and more efficient courts – and will absorb significant elements of the special objective that targets the crisis of crime and poverty in inner city communities.

The strategic objective statement – ***Increased accountability, citizen security and participation*** – remains the same as stated in the FY 2000 – 2004 strategy. Work will continue on empowering people by strengthening civil society, with added attention to local government. Police community relations and other aspects of the justice system are combined under an IR addressing public safety. Equipment and systems to improve efficiency in the magistrates' courts will be in place by the end of the preceding strategy period, so continued activity to improve the justice system will be a more limited focus on the system's human resources as they relate to priorities within the strategy. A new component will directly tackle the issue of corruption.

The SO contributes directly to the USAID/Department of State Joint Strategic Plan Performance Goal: *Measures adopted to develop transparent and accountable democratic institutions, laws, and economic and political processes and practices*. It also indirectly supports the *Economic Prosperity and Security Strategic Goal* and fits within the U.N. Millennium Development Goal to *develop a global partnership for development*.

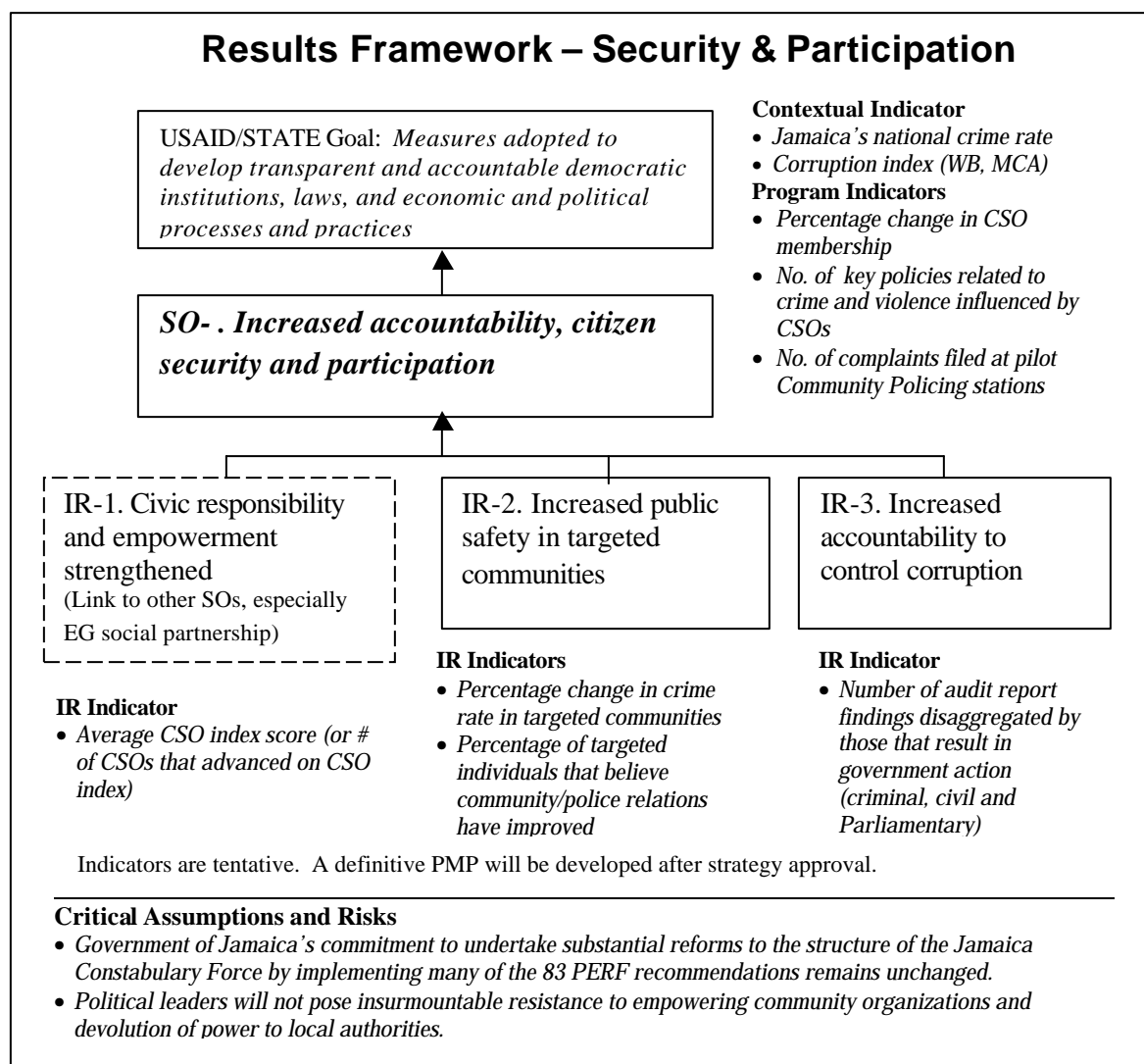
2. Results Framework

The new strategy continues the development hypothesis that enhanced community-level democratic processes, improved community/police relations and improved capacity of the broader justice system will lead to achievement of the strategic objective, with one addition – greater accountability to control corruption. A new intermediate result (IR 3) targets the auditor and contractor general at the center. Anti-corruption initiatives will be also be integrated in IR 1 by strengthening NGOs that can function as watchdogs and in IR 2 by improving police/community relationships. Besides the new anti-corruption initiative, some adjustments are proposed within each intermediate result area as described below.

IR-1. Civic responsibility and empowerment strengthened: As noted, a major thrust will be strengthening civil society and empowering citizenry through civic education and community-based activities. The new strategy will also include interventions to encourage devolution of power from central government to local government and work in strengthening local parish councils. Resistance to this devolution is expected and the approach will be to promote the change through empowered NGOs and local community organizations.

Another area of activity will be directed at children with school programs to promote human rights and counter the culture of violence. This will be closely coordinated with school-based activities under the health and education SOs to stay within the capacity of the systems and gain maximum benefit from the synergies.

IR-2 Increased public safety in targeted communities: Improving police/community relations is of critical importance and will be continued in the new strategy. To ensure successful replication, emphasis will be given to working with the national Constabulary Training College so that lessons learned from the pilot community policing activity in Grants Pen can be spread to the wider Jamaica Constabulary Force.



Legislative drafting support in the areas of trade, justice and security and HIV/AIDS will come from the Regional Drafting Facility supported by the Caribbean Regional Program. Related activities under this IR will focus on strengthening the Chief Parliamentary Counsel's Office to alleviate the bottleneck there, which has, for example, held up electronic commerce legislation important to Jamaica's economic competitiveness.

Other potential activities include strengthening the Office of the Director of Public Prosecutions, which is responsible for marshalling the legal resources for all criminal prosecutions in Jamaica (pursuant to further review and approval by the Regional Legal Advisor), and courses for the Bar Associations to ensure that members uphold their role as officers of the court. Activities will be selected that support efforts to reduce crime and violence.

IR-3 Increased accountability to control corruption: A new anti-corruption element will complement the effort to reduce crime and violence. Civil society organizations being strengthened under IR-1 will include "watchdog" groups with important anti-corruption roles. Activities under this IR-3 will focus on strengthening the capabilities of such institutional anti-corruption agencies as the Auditor General and Contractor General. The role of the media will also be strengthened, including possible support for efforts to remove or modify those legal

structures, such as the present defamation law, which act as deterrents to the serious development of investigative journalism.

a) Linkages and Synergies

Good governance, especially the respect of citizens and the state for the institutions that govern economic and social interactions, is fundamental for development and a special challenge for Jamaica. A key synergy throughout the strategy is the engagement of civil society and local community organizations.

Economic competitiveness: Activities under this SO will help reduce corruption and crime, which distort investment decisions and increase costs to business. Activities under the competitiveness SO will help increase legitimate economic opportunity and engage the business community in support of good governance.

Environment: Synergies with the rural assets SO are also strong, particularly in the work to strengthen and engage civil society organizations and local government. While anti-crime activities will continue to focus on troubled inner-city communities, they will also be extended to targeted rural communities, where the combined interventions will help develop a critical mass of capacity to manage natural resources and environmental quality as well as maintain security and rule of law in the community.

Health: The battle against HIV/AIDS, a major element of the healthy lifestyles objective, is important to all aspects of Jamaica's development and has important legal and human rights issues relevant to the democracy and governance objective. The strategy is to bring the HIV/AIDS program to the community level, where the 'human face' will help counter the problems of stigma and discrimination. The second major element of the health objective deals with adolescent attitudes and behavior that poses health risks and is closely linked to Jamaica's problems of crime and violence.

Education: Crime and violence disrupt children's education in many communities; better rule of law and control of corruption will reduce the obstacles facing the education system. The education objective will address some of the failures of the system, especially the poor performance of boys and their premature exit from the system, which contribute to the problems of crime and violence. Another area of strong synergy is the emphasis on community empowerment and engagement, which will support both education and the security and democratic participation objectives.

Regional program: Regional legal systems activities undertaken by the CRP during the new strategy period will focus on the legal infrastructure related to trade, including legislative drafting, enactment and enforcement, and capacity for adjudication of commercial and trade related issues. USAID will coordinate with other U.S. agencies in regional efforts aimed at combating international crime and corruption.

b) Other Donors and Donor Coordination

Governance issues and the problems of crime and violence are given prominence in the assistance strategies of several other donors. Donor coordination is led by an active donor working group that also involves the government's Ministry of National Security, Ministry of Justice and Jamaica Constabulary Force (JCF). Major complementing programs include:

IDB: The Citizen Security and Justice Project (US\$20M over 4 years) to strengthen crime management capabilities, improve delivery of judicial services and prepare a multi-sectoral integrated strategy and action plan.

DFID, through the Community Service Enhancement and Police Modernization and Reform project, has been working with the JCF in a number of operational areas including community relations. They are refurbishing facilities at the Constant Spring Police Station, which has jurisdiction over the Grant's Pen community, the focus of USAID's pilot Community Policing initiative. DFID's advisor to the Police Commissioner's office and the USAID-funded Community Policing Advisor may be co-located; there is scope for extensive collaboration between these two advisors and the law enforcement advisor fielded by the US Embassy.

CIDA, under its Social Conflict and Legal Reform Program, has worked closely with USAID in providing support to the judicial system including inputs for electronic case management. CIDA's experience with community interventions and conflict resolution will inform USAID's program as will CIDA's experience under its Supporting Local Government Reform and Enhancing Civil Society programs.

UNDP has programs focused on social mobilization, advocacy and education on violence against girls and women (domestic violence); judiciary and penal reform and poverty eradication and community empowerment.

EU is proposing a budget support program that includes \$3.8 million for MOJ and MOS projects that will mostly focus on youth.

Annex G provides additional information on other donor programs.

c) Assumptions and Risks

A critical assumption for improved police/community relations is that the commitment of the Government of Jamaica to undertake substantial reforms to the structure of the Jamaica Constabulary Force by implementing many of the 83 PERF report recommendations remains unchanged.

Although the strategy for enhanced democratic processes at the community level anticipates some resistance, it assumes that political leaders will at least not obstruct the change.

d) Illustrative Activities and Partners

Activities to strengthen civil society and local government will be undertaken through an institutional contract or grant and will work with NGOs such as Jamaicans for Justice, the Jamaica Bar Association and networks being established under the current strategy.

Partners in improving community-police relations include the Jamaican Constabulary Force, the Ministry of National Security, and local NGOs. Global Development Alliances with the private sector will also be encouraged. The Ministry of Justice and Office of Chief Parliamentary Counsel are other likely partners in activities to improve the justice system. The Contractor General, Auditor General and Ministry of National Security will be partners in control of corruption.

USAID will seek to tap external creativity, planning and financial resources through the APS mechanism.

3. Preliminary Performance Management Plan

Although not entirely within the SO Team's manageable interest or attributable to USAID intervention, two "contextual" indicators will be tracked:

- Jamaica national crime rate
- Corruption index ranking (World Bank/MCA)

Three SO-level program indicators are being proposed:

- Percentage change in CSO membership
- Number of key policies related to crime and violence that have been influenced by CSOs
- Number of complaints filed at pilot Community Policing stations

Preliminary IR-level performance indicators are noted on the Results Framework chart in Section 2.

4. Estimated Resource Requirements

a) USAID Costs

The total projected base USAID cost to achieve this democracy and governance objective is \$15 million over the five-year time period. A more ideal funding level of \$16.9 million would permit more expansive work to strengthen civil society especially in rural communities and increased support for control of corruption by strengthening public sector institutions and policies.

b) Other Resources (other donors, partners, host country)

The extensive engagement of other donors in security and governance is noted above and in Annex G. This level of support is expected to continue. The partnership with the American Chamber of Commerce in Grant's Pen and the police advisor from Florida fielded through the Building Bridges initiative show promise that the new strategy emphasis on partnerships will leverage substantial added resources.

c) Start and End dates

The current security and democratic participation objective was added to the program in 2001 and continues through 2005. Although significant delays were experienced in early implementation, the Mission does not propose extending the current strategy, but will complete activities in FY2005 while initiating activities under the new strategy beginning the same year. Activities under the new strategy will be completed by the end of FY 2009.

III. ANNEXES

- A. Parameters Cable**
- B. Gender Analysis**
- C. Environmental Analyses – Biodiversity and Tropical Forests**
- D. Conflict Vulnerability Assessment**
- E. Summary of Technical Analyses**
 - 1. Medium-term Economic Outlook**
 - 2. Rural Development**
 - 3. Healthy Lifestyles**
 - 4. Institutional Capacity of Primary Schools**
- F. HIV/AIDS Strategy**
- G. Other Donor Programs and Donor Coordination**
- H. References**
- I. Acronym List**
- J. Summary Budget Scenarios**